Daily Report

Latin America

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CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

Cuba Cosponsors Peace Proposal for Persian Gulf *[Havana TV]* 1
Nonaligned Information Ministers Meet 27 Sep *[Havana TV]* 1

CARIBBEAN

Cuba

Castro Pleased With Vote Against Air Embargo *[AFP]* 2
Foreign Minister Receives Libyan Official *[Tripoli Radio]* 2
Joint Committee Condemns U.S. Gulf Presence *[Tripoli JANA]* 2
Jorge Risquet Meets With Iranian Minister *[Havana TV]* 2
Castro, Khatami Discuss Trends in Relations *[Tehran IRNA]* 2
Bahamian Tourism Minister Speaks to Journalists *[Havana TV]* 3
UN Praises Havana Peace Efforts in Angola *[Havana TV]* 3

Inter-Caribbean Affairs

Caricom Unhappy With World Bank, IMF Support *[CANA]* 3

Antigua and Barbuda

Bird Backs Minister Humphreys in Arms Controversy *[CANA]* 4

Dominican Republic

Police Spokesman Reports on Strike Toll to Date *[Santo Domingo Radio]* 4
* President Balaguer Proposes Debt Reduction *[EL SIGLO 17 Aug]* 5
* Balaguer's Appointments 'Irrelevant' to Crisis *[EL SIGLO 28 Aug]* 5
* Central Bank Reports 39 Percent Inflation *[EL SIGLO 25 Aug]* 5
* Housewives Protest Food Price Increases *[LISTIN DIARIO 11 Aug]* 6

Grenada

Opposition Senator Gerald Arlin Resigns *[CANA]* 6

Trinidad and Tobago

Government Studies Caricom Oil Concession Request *[CANA]* 7
Two More Men Allegedly Involved in Coup Attempt *[CANA]* 7

CENTRAL AMERICA

El Salvador

Report on 25 Sep Testimony in Jesuits' Case *[EL DIARIO DE HOY 26 Sep]* 8

Nicaragua

Godoy Appoints Himself 'Acting President' 8
Presence at Presidency Denied *[Managua Radio]* 8
Affirms Status as 'Acting President' *[ACAN]* 8
Invokes Constitution *[Managua Radio]* 9
Ramirez: Godoy Creates 'National Crisis' *[Managua TV]* 10
Chamorro's Governing Authority Defended *[Managua TV]* 10
Chamorro Addresses UN General Assembly *[Managua Radio]* 10

Panama

Oil Negotiations With Venezuela, Mexico Reported *[Panama City Radio]* 12

SOUTH AMERICA

Argentina

Menem on Gulf Troops, U.S. Tour, Other Issues *[TELAM]* 13
Cavallo on Gulf, Meeting With Baker *[TELAM]* 13
Health Minister Removes Housing Under Secretary *[Buenos Aires Radio]* 14
* Caputo's Influence in Foreign Ministry Viewed *[LA PRENSA 12 Aug]* 14

Bolivia

President Paz Zamora To Visit USSR in 1991 *[La Paz Radio]* 16

Brazil

Iraq Grants 18 More Exit Visas to Citizens *[Brasilia Radio]* 16
Cardoso Views Debt to IMF, Oil Prices *[Rio de Janeiro TV]* 16
Government Signs Decree Preserving Forest *[Brasilia Radio]* 17
* Ibope Director Projects Election Winners *[VEJA 5 Sep]* 17
* Collor's High Marks in Ibope Poll Analyzed *[O ESTADO DE SAO PAULO 9 Sep]* 20

Chile

Government Supports UN Resolution on Iraq *[Santiago Radio]* 21
New Actions To Seek Release of Hostages in Iraq *[Santiago Radio]* 21
Magazine Reporter, Weekly's Director Indicted *[Santiago Radio]* 21
Finance Minister To Chair IMF Committee *[Santiago Radio]* 21
MAPU Leader Denies Tie With Youth Movement *[Santiago Radio]* 21
Soviet Fishing Consortium Deal Under Discussion *[Santiago Radio]* 22

Paraguay

Foreign Minister's Activities at UN Detailed *[NOTICIAS 26 Sep]* 22
Speech Calls for New Economic Order *[ABC COLOR 27 Sep]* 22
$400-Million Debt With Brazil Paid Off *[NOTICIAS 26 Sep]* 23
Education Ministry Under Secretary Appointed *[ABC COLOR 26 Sep]* 23

Peru

Fujimori Says U.S. Accord Will Not Be Signed *[Lima TV]* 23
Fujimori Speaks to Investors on Opening Economy *[Lima TV]* 24
300 Terrorists Attack Police Station *[Lima TV]* 25
Combined Forces Kill 40 Terrorists *[Lima TV]* 25

Uruguay

Deputy Scores Participation in Unitas Maneuvers *[LA DEMOCRACIA 21 Sep]* 25

Talks on Money Laundering Resume With U.S. *[BUSQUEDA 20-26 Sep]* 26
Minister Comments on Materiel Modernization *[LA HORA POPULAR 15 Sep]* 27

Guyana

Hoyte Opens Trades Union Congress Conference *[CANA]* 27
Hoyte on Economic Recovery Program *[CANA]* 28

Cuba Cosponsors Peace Proposal for Persian Gulf

FL2709132590 Havana Tele Rebelde Network in Spanish 1235 GMT 27 Sep 90

[Excerpt] Four nonpermanent members of the UN Security Council are cosponsoring a new peace proposal for the Arab Persian Gulf. The document was presented to the other members of the Council by Colombia, Malaysia, Yemen, and Cuba. The draft calls for the conflicting parties to renew efforts to reach a peaceful solution to the crisis in accordance with UN Security Council demands to withdraw Iraqi troops from Kuwait.

The document was presented after the air-naval blockade against Iraq was approved and threats of force were issued against that country and those nations that violate Resolution 670, which only Cuba opposed. [passage omitted]

Nonaligned Information Ministers Meet 27 Sep

FL2809012990 Havana Television Service in Spanish 0000 GMT 28 Sep 90

[Excerpt] The discussions were tense during today's session of the third meeting of information ministers from the Nonaligned Movement being held in our capital. Many of the representatives of the almost 90 delegations that are present spoke during the plenary meeting. A round table discussion was held in the afternoon with the participation of the president, the four vice presidents, and two representatives per region to polish the final declaration draft that should be approved tomorrow. The initial document prepared by Cuba has prompted positive technical suggestions and others ratifying the principles that defend the interests of the nonaligned countries. These amendments will be put together with the traditional consensus spirit of the movement.

It was reported today that session President P. Upendra of India reminded the participants of the meeting of the importance of focusing the discussions on the topics included in the agenda, all regarding information. Sources close to the meeting said the call was made after the Kuwaiti delegate asked the nonaligned members to address the current crisis in the Persian Gulf based on the principles of national sovereignty that have been present since the movement was founded.

The delegates also expressed their appreciation for the work done by the Cuban hosts. In remarks made for the television, Indian Information Minister Upendra voiced the conferees' opinion by highly praising Cuba's organization of the discussions and the meeting in general.

[Begin Upendra recording, in English with simultaneous Spanish translation] The Government of Cuba has made excellent arrangements [words indistinct] and very fruitful decisions have been made in the last three days. I am very happy that the Government of Cuba has taken it very seriously. The president, Mr. Aldana, has been an excellent president. He has been conducting himself in a professional manner. The draft resolution prepared by the host country is an excellent document. It lists all the problems of the Third World countries. [end recording]

In addition to the review of the final resolution the presidential table will submit, representatives from organisms and nongovernmental organizations are scheduled to speak tomorrow. [passage omitted]

Cuba

Castro Pleased With Vote Against Air Embargo

PA2809055290 Paris AFP in Spanish 0413 GMT 28 Sep 90

[Text] Havana, 27 Sep (AFP)—"We are on the verge of war," said President Fidel Castro today, adding that he considered it an honor that his country was the only one that voted on 25 September against the UN Security Council's resolution to implement an air embargo against Iraq.

Responding to an AFP question at a reception in Havana honoring participants at the Third Meeting of Information Ministers of the Nonaligned Movement, the Cuban president reiterated the need for a political solution of the Gulf conflict, including Iraq's withdrawal from Kuwait.

A war, he underscored, would not only claim thousands of lives, but it would have dramatic economic consequences for the entire world if the price of oil increased to $60 or $70 per barrel.

Castro said that the Security Council is adopting measures too hastily. "The United States decided on a naval blockade and the Security Council guaranteed it. The Security Council should not have done that," he said.

Asked about an eventual trip to the United Nations, Fidel Castro said that difficulties have forced him to remain in Cuba. "The war will be won or lost here," the Cuban president said.

Foreign Minister Receives Libyan Official

LD2609140590 Tripoli Domestic Service in Arabic 1230 GMT 26 Sep 90

[Text] In Havana yesterday morning [25 September], the brother secretary of economy and foreign trade and head of the Libyan Arab delegation to the eighth session of the joint Libyan Arab-Cuban commission, met the Cuban minister of foreign relations. Joint cooperation between the two friendly countries and many issues of mutual concern were discussed at the meeting.

Joint Committee Condemns U.S. Gulf Presence

LD2609100790 Tripoli JANA in English 0902 GMT 26 Sep 90

[Text] Havana, September 26, JAMAHIRIYAH NEWS AGENCY—Last night in Havana, the 8th session of the joint Libyan Arab-Cuban Committee started. it was (?opened) by the secretary of the General People's Committee for Economy and Foreign Trade and the government deputy for economic cooperation.

The Cuban official, in the opening session, stressed the strong relations between the two countries pointing out that Al-Jamahiriyah courageously repulsed U.S. hostile campaigns and was able to challenge them thanks to the successful and brave stand of the leader of the revolution.

He condemned the U.S.-Western military amassments in the Arab Gulf reaffirming the supportive stance of Cuba to the Libyan Arab stand [word indistinct] for resolving this problem within an Arab framework and without foreign interferences.

Meanwhile, the secretary of the General People's Committee for Economy and Foreign Trade stressed the existing strong relations between the two friendly peoples in Great Al-Jamahiriyah and Cuba.

He pointed out that these relations stem from the stances of the great Al-Fatih revolution's support to freedom endeavouring to strengthen man's freedom everywhere, apart from the stance assumed by the Cuban Revolution repulsing courageously imperialism.

Jorge Risquet Meets With Iranian Minister

FL2709125990 Havana Tele Rebelde Network in Spanish 1235 GMT 27 Sep 90

[Text] Jorge Risquet Valdes, member of the Politburo and secretary of the Central Committee of the Communist Party of Cuba, has received in Havana Dr. Hojjat ol-Eslam Mohammad Khatami, minister of Islamic guidance of Iran. The Iranian official is presiding over his country's delegation that is attending the third conference of information ministers of the nonaligned countries movement.

During the meeting, the officials exchanged views on the current international situation, especially on the Gulf region. The two parties agreed that the principal danger for the peoples of the Middle East is the U.S. military deployment. They also felt that the premise for any negotiated solution is the withdrawal of Iraqi troops from Kuwait, as well as the withdrawal of U.S. and Western forces from the region.

Castro, Khatami Discuss Trends in Relations

LD2809092190 Tehran IRNA in English 0843 GMT 28 Sep 90

[Text] Tehran, Sept. 28, IRNA—Minister of Guidance and Islamic Culture Hojjat ol-Eslam Mohammad Khatami who is currently on an official visit to Cuba met and conferred with Cuban President Fidel Castro in Havana Thursday.

Hojjat ol-Eslam Khatami heading a delegation left Tehran for Havana last Saturday to participate in the third meeting of the information ministers of the nonaligned countries. Expressing satisfaction with the developing trend in the Tehran-Havana relations, the Cuban president stressed expansion of bilateral cooperation in all domains.

On the current Persian Gulf crisis, the two sides called for withdrawal of Iraqi forces from Kuwait and condemned the presence of foreign forces in this sensitive region.

Castro said that the U.S. by its military presence seeks domination in the region and aims to plunder the wealth of the regional nations.

Underlining that the Islamic Republic is against any aggression in the region, Khatami stated that the Iraqi move has become a pretext for the U.S. military presence and that the aggression must be halted by the regional countries as soon as possible.

The two sides also discussed bilateral collaboration in fields of culture, art and economy and stressed further co areas. [as received]

Bahamian Tourism Minister Speaks to Journalists

FL2709114090 Havana Tele Rebelde Network in Spanish 1100 GMT 27 Sep 90

[Text] Mr. Clement Maynard, Deputy Prime Minister and tourism minister of the Bahamas, is visiting our country at the invitation of the INTUR [National Institute of Tourism].

INTUR President Rafael Sed Perez has received Mr. Clement [as heard], who spoke to journalists for this newscast on the purpose of his visit.

[Begin Maynard recording, in English with simultaneous Spanish translation] I have been planning to come to Cuba for some time. I have been invited to have a talk with the people who are responsible for tourism here. A delegation from Cuba has already been to the Bahamas and what we want to do is exchange ideas to have a look at our methods and to look at various facilities and to see if really we can learn something from each other. [end recording]

UN Praises Havana Peace Efforts in Angola

FL2709112890 Havana Tele Rebelde Network in Spanish 1100 GMT 27 Sep 90

[Text] Peruvian diplomat [first name indistinct] De Soto, the UN Secretary General's personal representative to Central America, today praised Cuba's contribution to the peace process in Angola, which concluded with Namibia's independence. De Soto will tell journalists in New York that Cuba has undertaken a very important role in attaining peace in Angola and Namibia. The official described our country as an important member of the international community.

Inter-Caribbean Affairs

Caricom Unhappy With World Bank, IMF Support

FL2709210790 Bridgetown CANA in English 1933 GMT 27 Sep 90

[Report by Wesley Kirton]

[Text] Washington, Sept 27, CANA—Caribbean Community (Caricom) member countries are unhappy with the level of support given their development efforts by the World Bank and International Monetary Fund (IMF) and have stressed the need for new programmes which would provide longer term assistance and a higher level of concessional flows.

They also want the International Finance Corporation (IFC) to increase its projects in the region and the promotional activities of the Multilateral Investment Guarantee Agency (MIGA) extended so that investible resources that are available within the region would be exploited. Both IFC and MIGA are agencies within the World Bank.

Their position was stated by Dominica's Prime Minister Eugenia Charles when she addressed the annual meeting of the two international lending agencies in its second day here.

"The support of the bank and fund in the Caribbean has been far from enough. In none of the policies of these two institutions is exploit reference made to the vulnerability of small island states, especially those that are exposed to frequent natural disaster," the prime minister complained.

She said there was need to design special arrangements for those small countries which were most vulnerable to natural disasters and which incur considerable debt in repeatedly replacing lost assets, particularly social and economic infrastructure.

"Similarly, special arrangements need to be made for small island states, in particular those exposed to man-made disasters such as oil spills, to mitigate the economic consequences such disasters which could cause major setback for tourism-dependent countries," Prime Minister Charles told the meeting.

She also lamented the fact that the graduation policies of the World Bank and the conditionalities associated with loans from both the bank and fund did not distinguish between large and small countries. "The World Bank and the IMF will need to rethink the conditions that they apply to small states when these countries borrow," Ms Charles said.

She applauded the success of the Guyana support group of countries helping Georgetown with its development thrust and commended the efforts of the fund and the World Bank which have facilitated the return of Guyana to eligibility to borrow from the two agencies and the Caribbean Development Bank.

Jamaica, she said, continued to meet its obligations and "has been taking old measures in liberalising the exchange rate regime to enhance the prospects for success in the long run."

On the question of debt repayment the prime minister urged that serious consideration be given to the provision of resources to reduce the interest burden particularly at this time when real interest rates are already high and likely to be increased further.

Antigua and Barbuda

Bird Backs Minister Humphreys in Arms Controversy

FL2709194590 Bridgetown CANA in English 1822 GMT 27 Sep 90

[Report by Colin James]

[Text] St. John's, Antigua, Sept 27, CANA—Antigua and Barbuda prime minister, Vere Bird Jr., on Thursday threw his weight behind agriculture minister, Hilroy Humphreys, whose sacking is being sought by the opposition. Bird said that from his investigation there was no proof to back up claims that Humphreys signed promissory notes for a controversial Israeli businessman, as the opposition has been saying. He told Parliament he believed the minister when he said his signature had been forged on the notes.

Bird was reacting to a motion by opposition leader Baldwin Spencer seeking the removal of Humphreys as agriculture minister, over charges made during a government-ordered probe of Israeli guns being trans-shipped through St. John's to drug dealers in Colombia early 1989. The commission heard that Humphreys signed three promissory notes for more than 4 million East Caribbean dollars for Israeli businessman Maurice Safarti in 1987. Safarti reportedly offered the notes to the American financiers Drexel Burnham Lambert for sale on the junk bond market and they were bought by a Trinidad insurance company. On Thursday, Humphreys told Parliament he was in China at the time when it was claimed he signed the notes for Safarti, then working as a consultant to the state Antigua Sugar Industry Corporation.

During the sitting, about fifteen supporters of Spencer's United National Democratic Party peacefully demonstrated outside the Parliament Building, just off the Queen Elizabeth Highway in the capital, St. John's, calling for Humphrey's dismissal.

Spencer said "There is need to know whether the government is prepared to honour the same (promissory notes) in light of the fact that they were issued without any consideration for Maurice Safarti and without Cabinet and House approval."

"This is a serious matter," he added. "It strikes at the very root of the whole question of accountability and over the past nine months this country has been literally paralysed as a result of the revelations and accusations that have been made concerning the behaviour and conduct of members of this administration."

The commission probing the arms scandal had heard that Safarti transferred money to a personal account for Humphreys in Miami a few days after the notes were signed. Spencer said this matter should be investigated.

"Could there be a connection between the transfer of fund to the individual personal account and the issuance of these promissory notes?" He asked. "We don't know and the public needs to know. This Parliament has a responsibility to delve into these matters of... serious impropriety against a minister of this House," Spencer asserted. "He (Humphreys) should have relieved himself of ministerial responsibility until such time as this matter is properly cleared up if it can be cleared up," the opposition leader charged.

But Prime Minister Bird said: "I called in the minister in question and he told me he is not responsible. He said he never signed any document of the kind and he is not responsible for people calling his name." He said, however, that a committee under the chairmanship of Attorney General Keith Forde has been appointed to look into the matter. "We appointed the attorney general to get together a team and have the matter investigated and that is what is going on at the moment," Bird told Parliament. He added that the minister of finance has given the assurance that the notes are not legal tenders.

Humphreys said he never saw the notes until last June when he returned home after attending a meeting of the Caribbean Community Standing Committee of Ministers of Agriculture in Jamaica. "I have never seen those notes before June 1990. I stand before this House today like Jesus accused but eventually was crucified and he rose and he is now sitting on the right hand of God," Humphreys said. He said he was in Beijing, China, in June 1987 when the notes were being signed.

Humphreys said he had given Safarti U.S. 9,000 dollars in 1987 and the payment to his account by Safarti was what was owed to him. "If I had singed those promissory notes I would have resigned a long time ago. You don't have to tell me to resign. My colleagues will tell you that three weeks ago I had already written my resignation but they said if I had resigned it would show that I'm guilty," he remarked. "There can be accountability in everything that I have done."

Dominican Republic

Police Spokesman Reports on Strike Toll to Date

FL2709181290 Santo Domingo Radio Mil Network in Spanish 1600 GMT 27 Sep 90

[Excerpts] One person shot to death, 18 injured by bullets or stones, and almost 200 arrested is the toll to date of the strike that was called by the Popular Organizations Collective. This information was issued by

Police Chief Major Jose Ramon Motta Paulino through official police spokesman Colonel Juan Ramon de la Cruz Martinez.

According to the police report, as of today the only reported shooting death was that of Rafael Baret Cabellan in Santiago, reportedly from a shotgun wound. [passage omitted]

Col. De la Cruz indicated that shooting incidents were reported both in Santo Domingo and in some towns in the country's interior.

* President Balaguer Proposes Debt Reduction

90CA0126B Santo Domingo EL SIGLO in Spanish 17 Aug 90 p 6

[Text] Yesterday the president of the republic proposed a revision of the loan contracts whereby the Dominican foreign debt has reached slightly over four billion dollars, after having claimed that the debt is burdensome and irrational and, "as such, unpayable based on the terms on which it was created."

The head of state alluded to the foreign debt in informal remarks made in the National Assembly halls after having been sworn in for a sixth constitutional term in government.

He declared: "Honorable legislators, an exceedingly burdensome public debt is weighing on our country. Besides being burdensome, it is irrational, and, as such, it is unpayable based on the terms in which it was created."

And he stressed that the experience of recent years has shown that the country lacks the capacity, during the current phase of its economic progress, to meet the commitments of its loans and, at the same time, fulfill its minimal requirements as a developing nation.

He observed: "In the interests of both sides, therefore, a revision of those loan contracts is necessary."

Balaguer also hailed as a historic event the statements made by the U.S. president, George Bush, when, in the view of the Dominican chief executive, "he implicitly acknowledged that the debt of the Dominican Republic and other nations in our same area is not viable based on the terms in which it was conceived, and that, consequently, this debt should be subjected to a thorough revision, to benefit not only the debtors, but also the credibility of international lending and the creditors themselves."

According to Balaguer, after Bush's statements: "At least that is the feeling that those statements have evoked in the consciousness of all of our people. The previous era, the one of the 'big stick, and of manifest destiny, has passed; it has definitely passed."

He proclaimed: "But there is even more. Because of the occasion during which those comments were made, only two years away from the marking of the fifth centennial of the discovery of America, those statements constitute historic evidence attesting to the fact that it took fewer than five centuries, a drop in the bucket in terms of time, for nations counting solely on the grace of God for survival, with the moral pressure of an invisible but absolute force, advancing inexorably to extend its sway over the earth's dispossessed people in the new eras, to cease to exist on this continent." He then went on to discuss the deficit in the decentralized public sector.

* Balaguer's Appointments 'Irrelevant' to Crisis

90CA0126A Santo Domingo EL SIGLO in Spanish 28 Aug 90 p 2

[Excerpt] Yesterday the president of the Dominican Revolutionary Party [PRD], Dr. Jose Francisco Pena Gomez, described the changes made by President Joaquin Balaguer among the government's appointed officials as "irrelevant."

Pena Gomez was queried regarding the possibility that the changes in public administration might be aimed at seeking solutions for the problems besetting the country. He declared:

"The changes are contingent on the policy pursued by the government, and everyone knows that the policy in the Balaguer governments is devised by him and not by the officials."

On these grounds the PRD leader claimed that, in his party's view, the appointments made by Balaguer last Sunday "mean nothing, therefore, this is irrelevant."

He noted that the new officials named by the president would contribute nothing to the solution of the main problems afflicting the Dominican economy.

President Balaguer made changes in the Armed Forces and public administration, including the judicial area and the foreign service. [passage omitted]

* Central Bank Reports 39 Percent Inflation

90CA0126E Santo Domingo EL SIGLO in Spanish 25 Aug 90 p 5-D

[Excerpt] During recent weeks CIECA [Economic Research Center, Inc.] has been virtually invaded by a group of friendly businessmen, students, politicians, and trade unionists seeking information on inflation accumulated during the past few months.

We have explained to all of them that CIECA does not generate a price index, and that a sizable investment would be required for this. It would be necessary to prepare a poll on the national level, or at least for the National District, to determine the basic food basket. This would subsequently have to be monitored, collecting daily information on prices.

We have also explained that the only institution preparing a consumer price index is the Central Bank. That index is underestimated, because it uses a basket of

goods and services devised in 1976-77; however, it is the only statistic available in the country.

Moreover, we explained to them that the private estimates currently in existence range between mere speculation, without any analytical basis, to the preparation of models attempting to predict the Central Bank's data, and estimates based on the performance of certain leading prices. [passage omitted]

According to the Central Bank's statistics, inflation registered between June 1989 and June 1990 is at 38.9 percent, and the cumulative figure between January and June is 12.3 percent. The inflationary expectations, based on the immediately previous quarter, for the year running from June 1990 to June 1991, is 33 percent.

CIECA thinks with increases caused by the "Solidarity Pact" among principal, leading prices in the economy, such as: gasoline, interest rates, staple foods, and the exchange rate, and by maintaining the same pace and structure in public investment, that the process of inflation would increase. This would force another rise in the exchange rate, which would pressure inflation once again. With this scenario, if a projection were to be made with the Central Bank's information, inflation in 1990 could end up at 60 percent pointing toward inflationary prospects of 103 percent inflation for 1991. [passage omitted]

* Housewives Protest Food Price Increases

90CA0126F Santo Domingo LISTIN DIARIO in Spanish 11 Aug 90 p 8-B

[Text] Santiago—Housewives who were consulted protested the price hikes and shortages of certain products of prime necessity in this city's low-cost shops and markets.

The prices of over 36 consumer food items have risen during the past few days, including those of chicken, bread, milk, and beans.

Refined sugar does not appear, and speculators are attempting to sell it for five pesos per pound. Hence, many dealers have claimed that they prefer not to have it in their stores.

The housewives' protests are united against the level of inflation that has risen above 80 percent: a situation that will cause a lacerating crisis in poor households.

For items used on a daily basis by housewives, such as chicken, the per pound price rose from 4.20 to 6 pesos for live birds, and to 7.50 pesos for slaughtered poultry; and red bean prices increased from 7 to 8.50 pesos.

A unit of bread, which was selling for 25 centavos, rose in price to 50 centavos; a pound of loose guandules [butterfly-shaped legumes], which previously sold for 2.50 pesos, now costs 3 pesos; and edible oil prices rose from 31 to 53 pesos per gallon. The price of soybean oil increased from 4 pesos for a small bottle sold by the pound, and is now 9 pesos.

A pound of creamed sugar, when it occasionally appears, sells for 2 pesos a pound; a box of matches, which was selling for 60 centavos, rose in price to 75; the price of the large three peso size increased to 3.50 pesos.

A bottle of vinegar, which was selling for 5 pesos, rose in cost to 6 pesos a bottle; and red wine prices rose from 4 to 4.50 pesos. The cost of powdered detergents rose from 7 to 8 pesos. The price of a small can of picapica rose from 2 pesos to 2.25, and that of 100 bananas, from 20 pesos to 25.

The people's organizations requested that their raise exceed 30 percent, because the basic food basket cost is over 4,000 pesos.

Grenada

Opposition Senator Gerald Arlin Resigns

FL2709214290 Bridgetown CANA in English 2127 GMT 27 Sep 90

[Text] St. George's, Grenada, Sept 27, CANA—Gerald Arlin, an opposition Grenada United Labour Party senator, has resigned over differences with the leadership. He said he was quitting both the Senate and the party headed by former Prime Minister Sir Eric Gairy.

Sir Eric said the party had been planning to expel the senator but he "must have gotten the hint." He said the senator had angered GULP members by confessing recently that he had taken part in the March 1979 coup which toppled the GULP government. Sir Eric remarked: "I had no idea that this man had taken part in the uprising against my government then. Had I known, we would have never allowed him to become a senator."

Arlin told the Senate recently that the conditions which exist in the present government are similar to those which caused him to "take up arms against the GULP in 1979."

Arlin was a late replacement for medical doctor Michael Radix who, only days before the general election here last March fell out with Sir Eric over differences in campaigning styles.

Since the poll two elected parliamentarians left the GULP to join the government.

Trinidad and Tobago

Government Studies Caricom Oil Concession Request

FL2709181690 Bridgetown CANA in English 1711 GMT 27 Sep 90

[Report by Linda Hutchinson]

[Text] Port of Spain, Trinidad, Sept 27, CANA - Trinidad and Tobago's shaky financial position and the government's dealings with international aid agencies present obstacles in extending concessionary oil to Caribbean Community (Caricom) countries, a senior Robinson administration official said on Thursday.

"...To contemplate a concessional arrangement for Caricom colleagues at this time may be premature and could jeopardise Trinidad and Tobago's own financial position," External Affairs Minister Dr. Sahadeo Basdeo told the Caribbean News Agency (CANA).

"...Caricom countries know that we have been experiencing a very difficult economic period and, in that context, we have to ensure that we put our own house in order before we consider looking at granting concessional arrangements," he added.

After world oil prices shot up as a result of the Gulf crisis, Caricom trade ministers wrote the Trinidad and Tobago Government seeking help in cushioning the negative impact higher oil import bills will have on their economies. Trinidad and Tobago is Caricom's major oil producer.

A team was subsequently set up to study possibilities for assisting Caricom countries. Basdeo said the government was studying the request and a statement would be forthcoming through the office of the prime minister.

Two More Men Allegedly Involved in Coup Attempt

FL2709211990 Bridgetown CANA in English 1949 GMT 27 Sep 90

[Text] Port of Spain, Trinidad, Sept 27, CANA—National Security Minister Selwyn Richardson has ordered the detention of two men suspected of being involved in the abortive coup attempt by the Jamaat-al-Muslimeen here on July 27.

The detention orders against Wayne Garnet Mollick and Raiys Rabbah were issued under the current state of emergency which was imposed on July 28 as the authorities moved to put down the insurrection.

Outlining the reasons for the detention of Mollick, the OFFICIAL GAZETTE said "There is reason to believe (he) was the driver of a red Datsun motor car which was handed over by (Muslimeen leader) Yasin Abu Bakr and which was used to transport firearms and ammunitions."

The GAZETTE said Mollick distributed the firearms and ammunitions to men at Harpe Place, Observatory Street and Gonzales Quarry and kept in his possession two shotguns for illegal activities.

The order against Rabbah, also known as Wendell Beckles, said there was reason to believe "that he accompanied Mollick and assisted in the distribution of firearms and ammunitions and ... that he had knowledge of certain unlawful activities associated with the events of July 27."

The coup attempt resulted in the death of two dozen people. Many people including Prime Minister Ray Robinson and Richardson were also injured during the storming of Parliament and the state-owned television station by the rebels, now in prison awaiting trial on treason, murder, kidnapping and other charges.

El Salvador

Report on 25 Sep Testimony in Jesuits' Case

PA2709235990 San Salvador EL DIARIO DE HOY in Spanish 26 Sep 90 pp 2, 25

[Text] Civilian and military personnel testified on the Jesuit case at the Fourth Crimina' Court on 25 September. Meanwhile, President Alfredo Cristiani announced in the United States that three U.S. lawyers will come to El Salvador to monitor the trial.

On 25 September, Judge Ricardo Zamorra heard the testimonies of Captain Julio Armando Garcia Oliva and orderly Jose Heriberto Valle. The latter was an assitant to Lieutenant Yushy Rene Mendoza. Mendoza is one of the nine soldiers allegedly involved in the murder of the six Jesuit priests in November 1989.

Garcia Oliva was the commander of the troops in the military complex on the road which leads to Santa Tecla. This military post is close to the Central American University (UCA), the site of the murders.

The witnesses wore civilian attire and testified for approximately two and one-half hours. Capt. Garcia Oliva had previously testified on 4 July.

According to one of the defense lawyers, Valle said that Lt. Mendoza stayed in the military academy installations on 16 November, the day the priests were murdered.

Meanwhile, President Cristiani's statements in Washington were being reported in the country. He reaffirmed the government's interest in solving the Jesuits' case and said he had invited three U.S. lawyers—whom he did not identify—to come to El Salvador to observe the investigations.

News dispatches reported that Cristiani said his government was doing everything possible to solve the case. He added that direct communications between the Defense Ministry and Judge Zamorra have been established. The president also said that the case would be brought to trial once all the evidence has been obtained.

At the same time, the Fourth Criminal Court reported that Colonel Joaquin Arnoldo Cerna Flores has denied statements made by Colonel Guillermo Alfredo Benavides, a main suspect in this case. Cerna Flores said that he did not provide Benavides with weapons or radios.

Cerna Flores, who in November acted as General Staff's Group 3 Chief in charge of operations, said that the distribution of radios and weapons was coordinated with the Group 4 Chief (Logistics), who was in charge of equipment, and also with the Group 6 Chief (Communications).

Group 3, which was headed by Cerna Flores, was in charge of coordinating equipment requests, the colonel added.

Cerna Flores said that he and General Staff chief Colonel Rene Emilio Ponce selected the commandos from the Atlacatl Battalion to search the UCA premises on 13 November.

Colonel Cerna said that they received calls from civilians and Group 2 (Intelligence) reports that there were terrorists inside the university who had attacked soldiers guarding the Arce neighborhood.

Cerna Flores said that he took part in the commanders' meeting at the General Staff, where the tactical situation of each sector was examined. Afterward, he went to the Armed Forces Joint Operations Center (COCFA).

The officer said he learned about the Jesuits' murder at about 0900 on 16 November through a radio news bulletin, but does not know whether any written report was ever filed.

Nicaragua

Godoy Appoints Himself 'Acting President'

Presence at Presidency Denied

PA2809015590 Managua Radio Corporacion in Spanish 2336 GMT 27 Sep 90

[Report by Ernesto Ramon Garcia from the National Assembly]

[Text] At the offices of Government Minister Carlos Hurtado are [6-second break in reception], have announced civil disobedience movements as of 1 October. We have been informed, however, that the minister is urging Sandinist union leaders not to perpetrate acts of terrorism or create disturbances in the streets because such actions would violate the law, and the full weight of the law would be brought to bear upon them.

Meanwhile, a few minutes ago, we confirmed reports that Vice President Virgilio Godoy has occupied the post which, according to the Nicaraguan Constitution, he must occupy in the absence of President Violeta Chamorro. Upon our arrival at the Presidency, we were told that Godoy had not arrived. One employee said that Godoy does not and has never worked here. When we asked who was replacing the president during her absence, they said that [words indistinct] (Rosita Barrios), niece of President Violeta Barrios Chamorro, who is currently away from the country [sentence as heard].

Affirms Status as 'Acting President'

PA2809024590 Panama City ACAN in Spanish 0220 GMT 28 Sep 90

[Text] Managua, 27 Sep (ACAN-EFE)—Vice President Virgilio Godoy today said that—given President Violeta Chamorro's absence from the country and according to the Constutition—"I am the acting president." "The fact that the vice president and acting president is not

allowed to enter the presidential palace is an entirely different matter," Godoy added in statements to "Radio Catolica" in Managua. "I have not tried (to enter the presidential palace), but I might do it tomorrow, to see what happens," he said.

The vice president said that this situation has resulted from the fact that no decree whatsoever was issued in Managua to indicate who assumes the presidential functions during the absence of Chamorro, who addressed the UN General Assembly today. He also mentioned the negotiations that began yesterday between Chamorro's government and the Sandinist National Liberation Front on reaching a "patriotic policy" that will enable a conciliation of interests.

Godoy said that Presidency Minister Antonio Lacayo, who heads the government delegation, "may be a minister, but he must still consult (the acting president)." "If Lacayo does not consult the acting president, then his actions can be overruled because he is not the president of the Republic," Godoy insisted.

Invokes Constitution

PA2809052390 Managua Radio Catolica in Spanish 0300 GMT 28 Sep 90

[Interview with Vice President Virgilio Godoy by Julio Cesar Tardencillas on the "21 Hours" program in Managua on 27 September—recorded]

[Text] [Godoy] First, I have a basic reason for thinking the way I do. Engineer Lacayo is a minister of the Cabinet, whose duty is to coordinate the Cabinet members' activities. It is not one of his duties to be a government negotiator, and this can be confirmed by the ministry decree. The meeting that took place, therefore, yesterday between him and Daniel Ortega could very well have been a simple conversation between two people, which does not necessarily entail any commitment on the government's part since Lacayo is not authorized to negotiate on the government's behalf.

[Tardencillas] Doctor Godoy, moving to another subject, Article 149 of the political Constitution says that in the president's temporary absence, the vice president must head the government. What has happened in your case? Are you going to take charge of the presidency in Mrs. Chamorro's absence?

[Godoy] This is a problem that has prompted many discussions lately. Paragraph 1 of Article 149 says that when the president is temporarily absent, the vice president will assume the duties of president. This means the change is automatic—it does not require any special decrees or actions by anyone because it is a constitutional mandate and, furthermore, it is an imperative mandate. That is why the Constitution says the vice president will assume, instead of he could assume, or would assume. The Constitution says the vice president will assume the duties. The Constitution gives an order. The case, therefore, is perfectly clear.

Another thing is whether the conditions are given for this constitutional mandate to be fully complied with. It could be similar to what happened at the end of April. There were instructions not to allow the vice president to enter the Presidency's physical premises. If this is the case, then the vice president could assume his presidential duties away from the premises of the presidency.

[Tardencillas] What does this mean?

[Godoy] It means that there was a conflict, let us say, between the Presidency minister who works at the Presidency, and the vice president who, because he was not allowed on the Presidency's premises, could not work out of the president's office.

[Tardencillas] Dr. Godoy, we have been informed that you, as vice president, will meet tomorrow with the minister of the Presidency and with other state ministers. What issues will you discuss?

[Godoy] In the beginning, this meeting was going to be one of my monthly visits to the ministries to find out how the state and the government are doing. Tomorrow we will probably discuss the issues we are discussing right now.

[Tardencillas] Are you going to announce a particular position?

[Godoy] No. I have no position other than strict compliance with constitutional mandates.

[Tardencillas] What about the latest events, about the Sandinist National Liberation Front's [FSLN] threats of violence, what can you tell us about that?

[Godoy] Right now, I think that they are only threats. Recently, the Front's capability to marshal people has been notably diminished, to the extent that yesterday, the once-powerful National Association of Nicaraguan Teachers was unable to assemble 1,000 people for a demonstration, which was advertised with much fanfare. The purpose of the demonstration is to pressure the National Assembly, because a bill concerning teachers is being discussed. I think the threats are just a bluff.

Life is funny. It only takes a few people to keep several hundreds out of work and this type of thing could begin happening on 30 September. These actions, however, will not be like the actions in the first half of July. Instead, the actions will be gradual, with one sector being affected at a time. The idea is to keep the government in check. I do not think that what will happen this time will resemble the actions that occurred in July.

I have another reason for saying this. On 30 September, and this is a coincidence, European delegations will begin arriving in Managua. These are delegations that have to do with the solidarity committees, which financed the political activities of the FSLN for many years. In addition, the man who will probably be the next president of the Socialist International will also be arriving in Nicaragua, and the FSLN allegedly wants to

join the Socialist International in the future. So, they are going to have to do well in this test, because if they choose to intensify the violence, this would be seen by qualified observers who would report it to European committees of solidarity and to the Socialist International.

Ramirez: Godoy Creates 'National Crisis'

PA2809052990 Managua Sistema Nacional de Television Network in Spanish 0400 GMT 28 Sep 90

[From the independent newscast "Extravision"]

[Statement by former Vice President Sergio Ramirez in Managua on 27 September—recorded]

[Text] I have a report from United Press International which says that tomorrow the vice president of the Republic is preparing to enter by force, according to his own statement, the presidential palace to take charge of the presidency, which is being denied to him. I consider this a national crisis. Perhaps tomorrow...in a violent way...I do not know how they [not further identified] will, or if they [not further identified] will, let the vice president enter the presidential palace. We must prepare for a situation like that. I have in my hand a press agency report with his statements. This is a crisis in the country.

Chamorro's Governing Authority Defended

PA2809053890 Managua Sistema Nacional de Television Network in Spanish 0400 GMT 28 Sep 90

[From the independent newscast "Extravision"]

[Text] The National Opposition Union Political Council is meeting tonight to discuss the decision of Vice President Virgilio Godoy, who will try to assume command of the country tomorrow in President Chamorro's absence. Engineer Alfredo Cesar, who is close to the president, said that this decision can be revoked by the president from New York.

[Begin Cesar recording] My position is that President Chamorro can be the president from wherever she is. There is no law which says otherwise. There is, however, a constitutional mandate that can be interpreted in different ways. Legally, I believe, therefore, that as long as she does not specifically appoint anyone to act in her absence, she is president of the Republic. In my opinion, she could annul any action that is carried out in her name. [end recording]

Chamorro Addresses UN General Assembly

PA2709235290 Managua Domestic Service in Spanish 1454 GMT 27 Sep 90

[Speech by President Violeta Chamorro at the United Nations General Assembly in New York—live]

[Text] UN General Assembly president, friends heading the various delegations, my dear UN Secretary General Mr. Perez de Cuellar, and honorable delegation members: I recall that the United Nations was formed 45 years ago to replace weapons with farming tools. We Nicaraguans are making the United Nation's dream become a reality. The Nicaraguan people voted for peace on 25 February, with the support of the United Nations.

This date marks a splendid moment in our history. After half a century of oppression, the Nicaraguan people refused to be prisoners of ideologies and dicatorships. The silence of thousands of Nicaraguans at the electoral precincts changed. It became a vigorous cry that rejected violence and supported civic and peaceful ways to solve social conflicts and political differences. Nicaraguans voted for the current government, which I am honored to preside over. In this way, Nicaragua joined all the other countries that have chosen freedom.

The United Nations guaranteed our elections—the only truly free elections held in Nicaragua in its 169 years as a republic. I, like many other Nicaraguans of my generation, had the opportunity to vote freely for the first time. In the name of all Nicaraguans, I sincerely thank this world forum, all the other international organizations, and the nations that supported our desire to attain freedom. You have made it possible for Nicaragua to begin a new era after 25 February.

In only five months we have attained peace. We have successfully managed to demobilize and disarm 21,000 Nicaraguan resistance members. In less than five months we have substantially reduced the Nicaraguan Armed Forces. The Army that previously had 96,000 men now has 34,000 members. We have also managed to remove weapons that were previously in the hands of civilians. More than 18,000 rifles that were held by political sectors have been buried under cement.

We are also promoting negotiations for the limitation and reduction of weapons and soldiers. On this matter, Nicaragua has set the example by destroying weapons, which I have delivered to the UN General Assembly president today. We view the disarmament agreements reached by the United States and the USSR as a constructive humanitarian step.

But there is something else, Mr. President. Today I would like to proclaim democracy as a heritage of humanity. The possibility, however, of losing the democracy that has cost Nicaragua so many sacrifices must be viewed with deep concern. We must start a process that will effectively bring peace and democratic stability to all of Central America. If we do not consolidate peace and if we lose democracy, Mr. President, we would be erasing one of America's achievements. From this forum, therefore, I call all world democracies to make a commitment to Nicaraguan democracy. Nicaragua had never enjoyed the freedom and respect for human rights that it has experienced in the five months that this new government has been in power.

In Nicaragua, the Nicaraguan people are no longer afraid of living in their fatherland; in Nicaragua, people are no

longer afraid of working; in Nicaragua, people are no longer afraid of criticizing the government; and in Nicaragua, people are no longer afraid of producing.

Small peasants, industrialists, and merchants may freely sell and buy their goods in the marketplace. Parents are no longer afraid for their children. In Nicaragua, people are no longer afraid to study, and people are no longer afraid to think differently. There is no fear about the future. In Nicaragua people are not afraid of peace. Quoting the words of His Holiness Pope John Paul II, promoting development is the new meaning of peace today. On behalf of all Nicaraguans, I can announce to this world forum today that the Nicaraguan people have faith in God, in freedom, in democracy, in our fatherland, in ourselves, and in all sister nations that have given us their support and understanding.

There is something even more important, Mr president. My fatherland, Nicaragua—besides following the trends of the democratic changes in the world—is the new fruit of a regional movement, which the United Nations promoted with creativity and innovation. I have the honor of representing my country in a special year in modern history. Nicaragua is firmly determined to remain free of hegemonic interests. Nicaragua, as a member of the Nonaligned Movement, will assume the challenge of overcoming the ideological barriers that have separated us.

Nicaragua condemns the Iraqi invasion of Kuwait and supports the UN Security Council's resolutions. We also welcome the release of Nelson Mandela and support the end of racism and apartheid. The reunification of the German peoples is significant for my government, and it constitutes a vivid example of reconciliation. My dream is a unified Central America; a demilitarized Central America; a free Central America; a Central America in permanent dialogue; and a Central America making progress. .

We hope the world shares and continue to support the efforts for a democratic and demilitarized Central America free from all kinds of military presence. We hope to proclaim this part of the world as a zone of peace and cooperation some day. It is time to say enough of violence and arms buildup. It is time to work for the supremacy of civilian society over weapons. No Central American must bow his head or humiliate his dignity before the strength or coercion of weapons or dictatorships.

We have begun the great revolution of nonviolence; the civic and democratic revolution of votes; and the revolution of respect for man and his dignity, his freedom, and his rights. We believe the understanding among nations is a means of achieving international reconciliation. This revolution, which is uniting Central America even more, is making progress toward a political integration through the creation of the Central American Parliament.

We aspire to the creation of a Central American economic community. We have agreed on a joint strategy that will allow our economies to participate competitively and establish a significant economic action plan for the region. We cannot reduce ourselves to our regional sphere. An Iberoamerica was the goal of Bolivar, and it is the name of our greater community. Nothing great has been accomplished in our America if our America is not united. Our great revolutions were made with the awareness of that unity, which is reborn again today with the conquest of democracy. Only in that community of regions will we have the power to solve the common and grave problems, such as the foreign debt, and have our economy participate on the international market.

We are small and poor, Mr. president, but our ideals give us stature. The national reconciliation that we seek in Nicaragua and the international reconciliation in the world has no other objective than to strengthen the state of law. The smaller and weaker a country is, like ours, the more it knows and feels the human value of the law. In this sense, and on behalf of Nicaragua, I proclaim our firm decision to support the decade of international law.

Mr. President, Messrs. Delegates, allow me to return to the urgent present day demands and then turn to the encouraging prospects for the future. When honoring our sex, it has been said that a woman is the guardian angel of the present. This means that a woman knows that the future is based on the present. Undoubtedly, we Nicaraguans have opened paths of peace and democracy.

Nicaragua faces a situation today that is similar to what many countries confronted at the end of World War II. We understand that independence is fundamental and it is the starting point for reactivating our economy through a national and socioeconomic agreement. We Nicaraguans—workers, businessmen, and the government—initiated that process on 20 September. This is a new style of government in Nicaragua. We recognize and assume the responsibility that is needed to carry out adjustments and changes that will make our economy viable. This effort must be complemented, however, with international cooperation, including the granting of preferential treatment.

We understand international cooperation not as a substitute for our own efforts, but as a necessary element to achieve a sustained development, based on our effective integration into international trade. To support our democracy is to extend the borders of liberty and justice worldwide. Those who have understood it this way, realize that the democratization of Nicaragua and its economic recovery are a necessary and significant factor in consolidating peace in the region. On this point, I want to emphasize that supporting the integration of thousands of Nicaraguan refugees, the displaced, the demobilized Nicaraguan resistance, and soldiers affected by the Army reduction represents a crucial task for the future of peace and democracy in my country.

Finally, on the large foreign debt burden shouldered by our countries, diverse initiatives and strategies have signified, in some cases, a real advancement. We view with optimism President Bush's Initiative for the Americas, which is based on proposals on trade, debt, and investments. It should be carefully reviewed by our countries. Our efforts, however, are not enough. It is necessary for the international community to make a greater contribution so that we can better handle the heavy foreign debt burden.

If the international community makes a greater contribution, our countries can then channel their financial resources toward the urgent, economic and social needs that they face. I think that the renegotiation of the debt, under beneficial terms for the Central American countries, should be viewed as a moral issue. It should not be viewed from the prism of economic interests, but as a necessary condition so that many countries can resolve the painful crisis of development, which affects us all. Only if this happens will we be able to create and bequeath a fairer and more stable world to the men and women of tomorrow, who are the children of today, our children, our grandchildren, and other children like them, for whom we must struggle, and as my husband Pedro Joaquin Chamorro used to say, even die for. In that sense, we express our determined support of the world summit for children.

Mr. President, messrs. delegates, Nicaragua is like a rock placed by geography and history in the middle of the American world. The political and social winds and all the universal currents lash out against that rock. All of our heroes have struggled against empires and against invading forces. The destiny of our nationality overflows our borders. That is why, if there is a country that has solidarity, deep solidarity with this organization, it is my fatherland. Do not leave us alone. Thank you very much. [applause]

Panama

Oil Negotiations With Venezuela, Mexico Reported

PA2709180790 Panama City Radio KW Continente in Spanish 1200 GMT 26 Sep 90

[Report on news conference by acting Commerce and Industries Minister Roberto Alfaro with unidentified reporter; place and date not given—italicized passages are recorded]

[Text] Acting Commerce and Industries Minister Roberto Alfaro has reported that Panama is currently negotiating with the Venezuelan Government to find a solution to the problem of Panama's oil supply and to fix the price per barrel of crude oil. Roberto Alfaro discussed the meeting between the Commerce and Industries Minister Juan Chevalier and the Venezuelan Government.

[Alfaro] *Minister Chevalier met today with Venezuelan Energy and Mines Minister Celestino Armas. They discussed the possibility of reaching some agreements on the purchase of oil at a special price and in quantities that will satisfy the needs of the nation. Minister Chevalier seemed rather optimistic during the telephone conversation we had today. He has a second round of talks tomorrow with Minister Armas, however, and we think that a formal agreement with Venezuela will be reached during this round, the results of which the minister will discuss on the morning of 27 September. For this we will invite the press to be at the airport so that we can give you that information.*

Minister Roberto Alfaro discussed the specific negotiations that Juan Chevalier is proposing in Venezuela:

[Alfaro] *We cannot ask Venezuela for the 24,000 barrels, of course, but we are asking it to guarantee us at least 12,000 barrels, which is half or 50 percent of that. On the other hand, we are, of course, trying to get a fixed price. We hope it will be no higher than $21, but any limit on or below $28—which is what we have been paying for the latest shipments—would be very beneficial for Panama and would prevent us from having to increase any costs for the consumer up until 31 December 90.*

Lastly, the minister talked about the relations between Mexico and Panama. He referred to a meeting with the Mexican oil minister.

[Alfaro] *We have been buying from Mexico, but Mexico has not given us any purchasing guarantees yet; perhaps in November it will. We have a trip planned for Minister Chevelier within one or two weeks perhaps. He will meet with the Mexican energy minister to see if we can reach an agreement with Mexico that is similar to the one we reached with Venezuela.*

[Reporter] *Political circles have said that the problem of the price of oil in Panama has been politicized. What can you tell us?*

[Alfaro] *I do not know in what sense it has been politicized. We are working in a very technical manner and very much in line with the decisions made by the Cabinet and the president of the Republic. I do not think there has been anything political about that.*

Argentina

Menem on Gulf Troops, U.S. Tour, Other Issues

PY2709160290 Buenos Aires TELAM in Spanish 1121 GMT 27 Sep 90

[Text] Buenos Aires, 27 Sep (TELAM)—President Carlos Menem has said that "mere formal details" remain to be arranged before the deployment of Army troops to the Persian Gulf. He added that "the number of personnel to be sent to the conflictive area is very limited." These troops will provide land support for the Navy forces heading for the Middle East, he noted.

Menem said that "the defense minister is in charge" of arranging the details for the deployment of Army troops to the Persian Gulf and noted that the number of Army troops who will join the Argentine forces participating in the UN-ordered blockade against Iraq "has not yet been determined." He added that two Air Force planes will reportedly take the troops to the Gulf.

Menem made these statements at Ezeiza International Airport shortly before leaving for Caracas, Venezuela, as part of a tour that will also include the United States, where he will visit New York and Washington.

Regarding the letter he received from British Prime Minister Margaret Thatcher to congratulate him on his decision to send troops to the Persian Gulf, Menem said: "Politics is an art in which anything is possible, and one can always expect this type of statement."

Referring to meetings he will hold with Venezuelan President Carlos Andres Perez and his U.S. counterpart, George Bush, Menem said: "The prospects are good [words indistinct] we have managed to rejoin today's developing modern world."

Menem said that the talks with the Venezuelan president will be held "within the framework of bilateral relations that we are trying to expand, in keeping with Bush's proposal to create a free trade zone as we carry out the Latin American integration process. This situation will open up good possibilities for Argentina."

Menem said there would be an open agenda with the U.S. President "as has always been the case in previous meetings with President Bush." He noted that he will meet with "businessmen and political representatives and participate in scheduled meetings aimed at making progress in the reforms we are promoting."

Menem then reaffirmed his government's economic policy and regretted the attitude of some pro-government unions which on 26 September demanded changes in his economic policy. He said: "We will make no changes even if thousands of general or partial strikes are held." He pointed out that "this decision is irrevocable. I think that as long as we progress with this proposal, public employees will be the ones receiving more benefits."

Menem said the privatization process was "good" and noted that "this process requires three or four years in other countries. The privatization of telephone service in Great Britain took five years. We will conclude it in one year. This is the reason why we are having troubles, which we are trying to solve as soon as possible."

Told that there might be more recession here than at that time in Great Britain, Menem said: "What is happening is that our inflexible labor rules have led Argentina to count on an economy that is 40-percent informal. This is an exaggeration. As soon as we enact more flexible laws, we will restore the legality of the economy. This will not be too bad in Argentina."

Concerning the privatization of the national sanitary works, Menem said that he will sign the appropriate decree four days after he returns to the country." [no opening quotation mark as received]. He added that SEGBA [Greater Buenos Aires Electrical Services], the State Gas Corporation, and the construction of some railway sections, 5,000 km of roads, and the Buenos Aires subway are also included in the privatization process—that is, "everything that works fine and can help to improve the wages of the employees of these state-owned enterprises will be privatized."

Cavallo on Gulf, Meeting With Baker

PY2709191490 Buenos Aires TELAM in Spanish 1643 GMT 27 Sep 90

[Text] Buenos Aires, 27 Sep (TELAM)—Foreign Minister Domingo Cavallo has said that it is "likely that all the nations of the world, including those in Latin America, will wind up participating" in the military forces involved in the blockade of Iraq.

Cavallo, who is participating in the UN General Assembly in New York, told TELAM that "if the United Nations approves the sending of an intervention force to the Gulf zone within the framework of Articles 42 and 43 of the UN Charter, it is likely that all the nations of the world, including those in Latin America, will participate in it."

The foreign minister emphasized that, in a meeting with his Latin American counterparts, U.S. Secretary of State James Baker "emphasized the importance of a Latin American country actively participating in the international security system that is taking shape."

Baker said that should an armed intervention in the region become necessary, it would have to be carried out within the framework of Articles 42 and 43 of the UN Charter. "The same position was expressed by Soviet Foreign Minister Eduard Shevardnadze," the Argentine foreign minister recalled.

Over the phone, Cavallo explained to TELAM: "As we have already foreseen in Argentina, everything is pointing to the establishment of a new system of shared security compatible with the mechanisms provided in

the UN Charter, mechanisms that have not been implemented because of the cold war."

The foreign minister stressed that "all the Latin American countries have supported the UN resolutions." He noted that at UN Headquarters in New York "everyone believes that the Security Council must pass resolutions that will force Saddam Husayn to withdraw from the occupied territory."

Cavallo also told TELAM that, in a meeting in which "cooperation between Latin America and Spain in particular and with Europe in general" was discussed, "the Spanish foreign minister today made known his satisfaction over the Argentine decision [to send troops to the Persian Gulf]." Foreign ministers from the Group of Rio de Janeiro will meet with their EC counterparts this afternoon.

In those countries, Cavallo said, "there are favorable expectations regarding the political and economic transformations that are taking place throughout Latin America, an almost entirely democratic continent, and the processes of streamlining the state and creating open and advanced economies."

Cavallo said that the Spanish foreign minister had noted that the Europeans are "optimistic about the integration process among Argentina, Brazil, Uruguay, and Paraguay that will undoubtedly be advantageous for Argentina."

Cavallo pointed out that on 1 October President Carlos Menem will meet with his U.S. counterpart, George Bush. Cavallo and Baker will also participate in this meeting, which will replace a collective breakfast that the U.S. President planned to hold with all his Latin American counterparts.

Health Minister Removes Housing Under Secretary

PY2709184790 Buenos Aires Domestic Service in Spanish 1600 GMT 27 Sep 90

[Text] Health Minister Alberto Kohan has removed Housing Under Secretary Rodolfo Morello and appointed his brother, Engineer Marcelo Kohan, to temporarily act as housing under secretary.

* Caputo's Influence in Foreign Ministry Viewed

90SM0244B Buenos Aires LA PRENSA in Spanish 12 Aug 90 p 1

[Report by Daniel Lupa]

[Text] The agreements whose main parties were Cafiero and Alfonsin and which were worked out in the province by Cafiero and Moreau do not seem to comprise the sole expression of the so-called "third movement" proposals of "Calfonfierism" [combination of Calfiero and Alfonsin + ism].

Like a reserve option, there has been parallel movement of the constant contacts—and apparently more than contacts—of the "coordinating" left and the Peronist left, perhaps presenting themselves as a wing of the agreement or, very probably, following the earthshaking Buenos Aires plebiscite, a continuation of the same proposal with names less eroded than those of the governor and former head of the PEN [National Executive Branch].

One example of this harmony stems from political proposals, including a variety of initiatives presented in Congress, where conspicuous expressions of both factions come together.

Worthy of note among the paths being followed is, for example, the proposed resolution introduced early in June to interfere in the possible renewal of Argentine relations with South Africa.

The break was one of the manifest Caputist commitments to the "selective" defense of so-called "human rights" from which, for example, both Cuba and Nicaragua are exempt.

The request for reports bears the signatures of Caputo himself, Federico Storani, Osvaldo Alvarez Guerrero, representing the Alfonsinist "coordinating committee" and those closely related, and Peronists (so-called Group of the Eight) Juan P. Cafiero, Luis P. Brunatti, German D. Abdala, and other lawmakers from both parties and the same inclination.

Ambiguities and Revelations

The proposal is one of the customary arguments used by Caputism in the handling of foreign relations. For example, the following question is asked: whether the country proposes to renew relations with South Africa and how such a thing could be reconciled with the various positions adopted by Argentina in the United Nations condemning the policy of apartheid followed by the government of that country.

Never in the battery of questions or reasons adduced is any mention made of occasions on which Argentina spoke out against the South African Government in the United Nations, which would have comprised a contradictory precedent for maintaining relations with Pretoria. This is perhaps why it is never mentioned that such denunciations and condemnations were subscribed to by most countries belonging to the United Nations, despite which Argentina is one of the very few countries to have broken off relations and did so, curiously enough, at a precise time when the most notorious phases of political reform were being instituted in that country.

The essence of the proposal seems aimed at a defense of Caputo's policies, based on the very interpretations of Caputism and as grounds for the presentation of a line common to the signers, torchbearers of the proposed Alfonsinist-Cafierist partnership in the area of foreign policy.

All of which—and this seems to be even more important in terms of the domestic political situation—is apparently based on information which, even though attributed by the proposal to the news media (the as yet delayed renewal of relations with South Africa), "smacks of confidential information emanating from San Martin Palace itself" (according to a lawmaker from the north).

Cast and Crews

For quite some time—at least until the end of last year—after Alfonsinism left power, it was rumored in Foreign Relations (still according to that same parliamentary source), as a fact that did not even require proof to the contrary, that "the telex and system of communications with other countries was technically controlled by Caputism" or officials whom Dr. Caputo had personally appointed. This meant that on many occasions, Caputo had "knowledge of certain special information before the minister himself," a fact which was reportedly confirmed, corridor sources whisper.

Whether or not this situation has been corrected—and there are those who claim the correction is only partial—it is reportedly not the only area where the presence of the "old Alfonsinist regime," with its programmatic implications, continues to be organically and personally present.

Mentioned as an example of these situations is a piece which is vital to the shaping of personnel of the the Foreign Service Institute (the notorious "little school"), a veritable hotbed of cadres for the nation's diplomatic corps. The organization remains under the same official appointed by former Minister Caputo, Ambassadress O'Connell de Alurralde, under whose orders, technically speaking, personnel were appointed to the ministry during that administration (including Minister Guillermo Enrique Gonzalez, third in the "little school" hierarchy) and—another fact worthy of similar concern—with the same old program of studies and insertions which have never been modified since that time.

Other officials remain, such as the director of the South America and Caribbean area, Ambassador Juan Jose Uranga Varela, president of APSEN (Association of National Foreign Service Personnel), an entity identified as the author of the campaign waged early on in Dr. Cavallo's administration which came out against the appointment of officials who were not a part of the Caputo team. The area is vital to Caputism to the extent that it bears responsibility for relations with Cuba, a key element in Alfonsinist foreign policy preferences and a country which experienced no difference with the appointment of Ambassador Olima, a man who purportedly shares affinities with Havana's despotism.

A similar situation—although technically more sensitive, according to certain interpretations of parliamentary circles which were consulted and the minister himself—has to do with the area of the Falkland Islands, the South Atlantic, and Antarctica, still under a man whom these circles claim is clearly identified with Caputism: Deputy Minister Jose Maria Valentin Otegui.

It is a curious fact that this address has turned into what some in the ministry have been heard to label the "umbrella of Caputism" or "the cave," to the extent that it is the refuge of conspicuous cadres of the Alfonsinist phase. One more example of the same area is the head of the Antarctic area, adviser Carlos Emilio Houssay, said to be closely identified with the administration of the former Alfonsinist minister.

A special case in the enunciation made in ministry corridors is that of Ambassador Carlos Ortiz de Rozas, of whom it is said that, as ambassador to France (appointed by Caputo), he reportedly refused to see Carlos Menem during the European tour the latter made with Cavallo, subsequently explaining his attitude with ticklish phrases such as the fact that he would later be president. Despite this fact, "catapulted by certain news media," it is said, and backed by "a silent and unidentified political backer," in spite of strong resistance in the ministry and from men very close to Menem, he was surprisingly appointed as undersecretary of foreign relations.

An incomplete list circulating in Argentine diplomatic circles this week also mentions Deputy Minister Sadous, reportedly the strong man in the office of the private secretary of Minister Cavallo, who may have—if he does not already—a different fate in the ministry and who is seen as a Caputo pillar because of his spot. He is said to have organized one of Alfonsin's recent trips abroad, although it has not been specified whether this is a customary gesture of deference toward a former official in the hierarchy.

Foreign Ministry

The complete list circulating in the circles mentioned is made up of over 150 officials—out of a total of 600—giving an idea of the "penetration of Caputism" (according to one veteran diplomat) and "the influence still enjoyed by the former official" (according one concerned lawmaker).

The list is completed by officials previously assigned to the Foreign Ministry and even appointments of this government but identified with the Caputo line. Among them are: Ambassador Cordoba Moyano in Bolivia; diplomat Gregorio Recondo, now in Paraguay; Torres Avalos, in Romania; Eduardo Hector Iglesias, also in Bolivia; Miguel Angel Espeche Gil, consul general in Sao Paulo; Alberto Ham, in Israel; De la Guardia, in Japan; Minister Raul Ricardes, in Washington; Guillermo McGaugh, Caputo's former press secretary mentioned in the allegedly fraudulent rendering of accounts leading to a trial, now assigned to Switzerland; and others.

A predominant role is given on this lengthy list to Ambassador Pulit, now in Venezuela, where he replaced Ambassador Vaquir, pushed into the assignment—rumor in the ministry has it—by Ambassador Ortiz de

Rozas. Ambassador Pulit is assigned something like the ideological role for the surviving teams, although concern in the ministry reportedly appears to be directed toward the inadequate, limited institutional contact established in Venezuela.

Bolivia

President Paz Zamora To Visit USSR in 1991

PY2709150090 La Paz La Red Panamericana in Spanish 1130 GMT 27 Sep 90

[Text] President Jaime Paz Zamora will visit the Soviet Union next year to strengthen (?relations) between the two countries. Soviet Ambassador Takhir Durdyyev met with the head of state and handed him a letter from Mikhail Gorbachev that relays his desire to receive President Paz next year.

The letter points out: Mr. President, the Soviet Union [words indistinct] (?sympathy) to friendly Bolivia, and (?appreciates) its sympathetic ties (?with Bolivia).

We know about your positive personal attitude toward the Soviet Union and its people. Our countries [words indistinct] and in general we can [words indistinct].

The letter later points out: At the same time, there is a considerable potential that is necessary to [words indistinct] at a time in which the Soviet people [words indistinct].

We hail the proposal for your visit to the Soviet Union, which (?we deem important), as it would give a new impetus to the development of relations between the two countries.

We would have liked our meeting to take place as soon as possible, but, due to various domestic and international circumstances, it will be difficult to meet this year. We will be willing to receive you in 1991. We can agree on the visit timetable through diplomatic channels.

Brazil

Iraq Grants 18 More Exit Visas to Citizens

PY2809022490 Brasilia Domestic Service in Portuguese 2200 GMT 27 Sep 90

[Report by Gustavo Mariani from Itamaraty]

[Text] The Iraqi Government has granted 18 more exit visas to Brazilians who are still in Iraq. The 258 [figure as heard] Brazilians who are in Iraq will be in suspense for at least two more days.

Today the diplomatic mission led by Ambassador Paulo Tarso Flecha de Lima could only obtain 18 exit visas. The 82 other visas depend on Iraqi Government bureaucracy. Itamaraty has announced, however, that the prospects are encouraging and that they hope to obtain these last visas without any dealy.

Itamaraty has confirmed that the United Nations has already authorized the plane to leave Iraq, but the flight plan has not been reported to Brasilia yet. The Foreign Ministry has not been informed whether the last leg of the 18-hour trip will be the Brazilian capital.

For the Muslims, tomorrow, Friday, is like a Sunday for us. Therefore, it is improbable that the Brazilians will obtain any more visas in the next 24 hours.

Regarding the Brazilians who will remain in Iraq, Itamaraty said their stay is still being negotiated. It is known, however, that the embassy charge d'affaires, the military attache and his secretary, a chancery official, a cook, and a representative of Avibras [Brazilian Airspace Industry] will remain in the country, in addition to 11 experts of the Mendes Junior Company.

Cardoso Views Debt to IMF, Oil Prices

PY2709180090 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 26 Sep 90

[Italicized passages are recorded]

[Text] Economy Minister Zelia Cardoso de Mello has said in Washington that increases in the price of oil must be dealt with realistically: If oil prices go up on the international market, they will also have to go up in Brazil.

Minister Cardoso spoke about the Latin American foreign debt at the annual IMF meeting. Minister Cardoso, who was chosen to speak on behalf of all Latin American countries, took the podium and said that the foreign debt was the main cause for the economic stagnation of the eighties. She asked the IMF to review its mechanisms to prevent the nineties from becoming a repetition of the previous decade. She claimed that the IMF demanded too much from debtors and that it used a double standard.

[Cardoso] *The IMF must be able to make its recommendations to all member states effective. Currently, only the debtor countries that are forced to borrow money from the IMF must follow the IMF recommendations.*

The minister later said at the Brazilian Embassy that a consistent approach with its creditors is Brazil's best weapon in overcoming the impasse in the foreign debt negotiations.

[Cardoso] *Our position has already been defined. We have arrived with this position, and we will go back with the same position.*

According to the minister, as Brazil joins the international economy it is not protected from increases in the price of oil.

[Cardoso] *If—and I want to emphatically stress this word—the price of a barrel of oil stays as high as it is now, the price of oil will also have to go up in Brazil.*

Minister Cardoso de Mello signed a contract with the World Bank for the disbursement of $270 million (more than 24 billion cruzeiros) to be used in health projects in the Northeastern Region. This is the largest loan the World Bank has ever granted for the health sector of any country of the world.

Government Signs Decree Preserving Forest

PY2709122590 Brasilia Domestic Service in Portuguese 2200 GMT 26 Sep 90

[Report by Flavio Damaceno from Brasilia]

[Text] As of today it is forbidden to cut down any tree or to commercially exploit any native plant species of the Atlantic forest.

The decree, which was signed by acting President Itamar Franco, was published today in the official gazette. The Atlantic forest is considered to be the tropical forest most threatened with extinction in the world and the most threatened ecosystem in Brazil. According to the decree, the Ibama [Brazilian Institute for the Environment] is now in charge of closely supervising any project implemented in the area.

The Atlantic forest covers parts of the states of Bahia, Espirito Santo, Minas Gerais, Rio de Janeiro, Sao Paulo, Parana, Santa Catarina, and Rio Grande do Sul.

Jose Pedro de Oliveira Costa, coordinator of the Atlantic forest consortium, commented on the importance of the decree:

[Begin Oliveira Costa recording] This is the most important decree signed by the Collor administration because it ensures the preservation of the Atlantic forest. This decree means that permits to cut trees in the primary or secondary forests of the Atlantic forest will no longer be granted. This is a great achievement that complies with the terms of the Brazilian Constitution, which establishes the Atlantic forest as a national reservation. [end recording]

When Brazil was discovered, the Atlantic forest covered 12 percent of the country's territory. It now covers less than 0.6 percent, equivalent to three times the territory of Sergipe State.

* Ibope Director Projects Election Winners

90SM0269A Sao Paulo VEJA in Portuguese 5 Sep 90 pp 5-7

[Interview by VEJA with Carlos Augusto Montenegro, executive director of the Brazilian Public Opinion and Statistics Institute (IBOPE), given during the last week of August. First two paragraphs are VEJA introduction.]

[Text] There are some who attribute to Carlos Augusto Montenegro, executive director of the Brazilian Public Opinion and Statistics Institute, (IBOPE), life-or-death power over many candidacies. He is the source of surveys that can stitch together or unravel political alliances, fill the campaign chests with funds, or even convince party members to fight harder for their candidates. The opinion poll has become such an essential ingredient in the election campaign formula that no serious politician would think of not spending more than two million cruzeiros to get his hands on the figures that could decide his fate. With its tradition of 50 years in this market, Ibope has lent the abbreviation of its name to a neologism that means popularity—ibope—and has become the most respected institution in its field in Brazil. "Ibope is the voters' spokesperson," proclaims Montenegro.

At age 36, the last 20 years spent working at Ibope, a company he inherited from his father, Montenegro is now the most sought-after pollster among directors of Brazilian opinion research institutions. It is his practice not just to supply cold figures (which are usually kept secret), but to give advice as well. During the presidential campaign, he advised then-candidate Fernando Collor so frequently that he ended up becoming his friend. Now he is selling his services to another fistful of candidates, such as Paulo Maluf in Sao Paulo, and Renan Calheiros in Alagoas. It was Montenegro, for example, who advised most of the gubernatorial candidates who are leading in the polls not to take part in the first round of televised debates. To be an Ibope client, you must, first and foremost, have deep pockets. Globo TV alone spent $900,000 for Ibope services during the presidential campaign. In return, it won the exclusive right to make the public wait with bated breath to hear, minutes after the polls had closed, the name of the new president of Brazil. Carlos Augusto Montenegro received VEJA last week to talk about polling and the current gubernatorial races.

[VEJA] Looking at the survey results today, which candidates for governor would you say can already order their inauguration suits from the tailor?

[Montenegro] If today's numbers hold up until 20 September, then we can consider as elected during the first round of voting Gilberto Mestrinho, in Amazonas; Ciro Gomes, in Ceara; Renan Calheiros, in Alagoas; Joao Alves Filho, in Sergipe; Antonio Carlos Magalhaes, in Bahia; and Leonel Brizola, in Rio de Janeiro. We could even hazard a prediction that some 20 or 22 candidates who are now leading in the polls will win, either in the first round or in the runoff.

[VEJA] Which are the states where the race is so confused that we might see some last-minute upsets?

[Montenegro] There is a lot of uncertainty in Minas Gerais, Paraiba, Pernambuco, Parana, and Rio Grande do Sul. There is a chance of an upset in all those states. In Parana, Roberto Requiao is gaining, and front-runner Jose Richa has been losing ground. In Minas, Helio Costa's ratings are rising; he is in third place today, but has a chance of making it into the second round. There are also a lot of questions in Sao Paulo. But first of all, we know there is absolutely no chance that Paulo Maluf will be left out of the runoff, since he has 42 percent in the

latest poll and nine out of ten of his supporters do not intend to change their minds. This means there is a 45 percent chance that he can be elected in the first round. Mario Covas has a 35 percent chance of winning the other spot in the runoff, if there is one. Luiz Antonio Fleury Filho, of the PMDB [Brazilian Democratic Movement Party], has 10 percent, and Plinio de Arruda Sampaio, of the PT [Workers Party], a five percent chance.

[VEJA] Does the runoff hold any surprises for the candidates?

[Montenegro] That is a separate election. To resort to soccer language, we can best describe the runoff as a Fla-Flu [game between Flamengo and Fluminense]. In a game like that, anything can happen. Passions run high, the excitement is palpable. A state is split, and so both candidates in the second round have fairly the same chance of winning.

[VEJA] Is there a possibility that some candidates that seem to be out of the race might come back onto the scene and cause an upset like Luiza Erundina did in the 1988 mayoral elections in Sao Paulo?

[Montenegro] Yes, there is. The public does not seem very interested in these elections, and the number of undecided voters is very high. So we should not discount the element of surprise. But if that happens, it will be only in one or two states, and would most probably happen with senatorial candidates, where the number of undecided is running at about 50 percent.

[VEJA] At what point in the campaign can you safely predict the likely winner of an election?

[Montenegro] During the final two weeks of the race, the survey results come fairly close to the final results. Of course, some new element can always emerge to drastically change things. In some cases, as with Brizola and Antonio Carlos Magalhaes, there is still time for them to fall somewhat out of favor with the electorate, but not enough time to keep them out of the second round. What could happen is that they miss getting elected in the first round.

[VEJA] Can the poll results change voters' minds?

[Montenegro] Their influence is not direct. Actually, the polls have an impact on four different segments of the public: the politicians, the businessmen, the party faithful, and the press. Many politicians tend to jump from branch to branch, trying to back the candidates who are in the best position. Businessmen, in turn, make larger donations to those who rank highest. Every time new figures are released, they either boost or dampen the morale of the party members and the ward heelers. Last, the press starts paying more attention to the candidates who are leading in the polls. It is the actions of these groups that affect the voter. If the influence of the polls were direct, as people claim, the final outcome of an election would always differ from the figures of the last survey: the victor would win by a larger margin than expected.

[VEJA] What do you mean?

[Montenegro] The impact usually attributed to the polls is that the announced results tend to favor whoever is at the top. That is not true. The polls themselves prove that if, for example, we come out with a prediction on the eve of the election that says that candidate A will get 40 percent, candidate B 20 percent, candidate C eight percent, and D three percent, then when the votes are counted you will see, in almost every case, that the figures are just about the same—40 percent, 20 percent, eight percent, and so on. So you have to ask yourself: If the polls influence the vote, then why did the voters who had preferred the two lower-ranking candidates not change their votes on election day and give candidate A a 60 percent victory?

[VEJA] But what would have happened during the presidential elections if there had been no opinion polls in Brazil?

[Montenegro] The outcome would have been the same. The only difference is that the voters would not have kept themselves informed or followed the campaign the way they did through the polls.

[VEJA] President Fernando Collor was a virtual unknown at the start of last year's presidential campaign. Is it not possible that he attracted a lot of extra voters to his cause as soon as he began to rise in the polls?

[Montenegro] I think Collor was the most professional of all the candidates. He knew how to communicate, challenge, and make direct contact with the voters. I felt from the outset that here we had a candidate who believed in political marketing, the polls, and the power of the media.

[VEJA] How are the opinion polls useful to the candidates?

[Montenegro] For the candidate, the survey is the spokesman for public opinion. It is as if the people were saying, via the numbers: "Look, this is what I want, and that is what I do not want." I can tell you that candidates who use a survey to find out what the voters are thinking or what they want have an advantage over the others.

[VEJA] Why do politicians usually question the credibility of some surveys, implying, or even saying outright, that they are fraudulent?

[Montenegro] There are very, very few politicians who do not believe in the polls, and a great many voters believe in them. When politicians complain about the results, it is because they are concerned mainly about minimizing the impact of the results on precisely those four groups (politicians, businessmen, the party faithful, and the press), but they know that the survey is accurate.

[VEJA] Do you mean that the politicians are lying when they disparage the polls?

[Montenegro] Indeed there are some politicians who pretend they do not believe the polls. Brizola, for example, is a longtime client of ours, but last year he kept saying that he did not believe in Ibope. This year, when we showed that almost 60 percent of the electorate in Rio de Janeiro plans to vote for Brizola, it appears that he is satisfied with our work. At least he has not complained about the surveys yet. What we would like to know is whether he now believes in that 60 percent. In his own mind, does he think Ibope is a reliable institution? Or was all that talk about fraud in the polls a ruse, an attempt to confuse the voters?

[VEJA] Has Leonel Brizola commissioned any surveys in recent months?

[Montenegro] Not this year. Some of his supporters did, but not Brizola directly. But Brizola was one of our first clients, back in the days when he was governor of Rio Grande do Sul. And it is interesting to note that this traditional election-day survey, called the exit poll, was practically invented by him. Brizola commissioned a series of polls to be taken on election day in several Rio Grande do Sul cities. He wanted to know, even before the votes were counted, whether his candidates had been elected. We were right about all of them. What was funny is that we predicted the victory of one of his opponents in a city where the mayor and the city councilmen were Brizolists. He took our forecast and stashed it in a drawer to be able to refute it after the ballot boxes were opened. But the vote count confirmed our forecasts.

[VEJA] Do Brazilians know how to vote?

[Montenegro] They do, and they showed this during the last elections, when they were able to correctly gauge what each of the candidates would do for them if he were elected. Brazilians are well informed, they watch television and they pay attention to the polls.

[VEJA] How do you explain the fact that the voter backed newcomers like Collor and Lula in the presidential elections, turning away from traditional politicians like Leonel Brizola and Paulo Maluf, candidates who are now front-runners in the gubernatorial races?

[Montenegro] The voters are well aware of the difference between municipal, state, and presidential elections. For example, they know that the role of a mayor is limited, and that the governors, too, are subject to a series of decisions handed down by the federal government. In this campaign, it looks as if the voter has decided to say: "I do not want to know whether people are on the Left or the Right, or whether they are corrupt or not. I just want to know who will do something for me." And so we are finding that names who not long ago were considered as political has-beens, such as Maluf, Antonio Carlos Magalhaes in Bahia, or even Gilberto Mestrinho—who was soundly defeated for mayor of Manaus in 1988—are making a strong comeback. These are men who already have a record of having done something for the voter.

[VEJA] How do you explain phenomena such as Ciro Gomes, candidate for governor of Ceara, who is only 32 years old but may get elected in the first round?

[Montenegro] That is a special case. Even so, he does have an impressive record of accomplishments in Fortaleza, where he was mayor. When he resigned to run for governor, he was one of the most popular mayors in Brazil. Although Gomes is new to national politics, his example only reinforces the theory that, this year, the voters want to look at each candidate's record before he votes. After several partisan attempts, such as turning over the governorships to the PMDB or PT, the citizen just wants to hear about public works and things that benefit him. He wants bridges and sewer systems, regardless of whether the politician is from the Left or the Right, young or old, fat or thin.

[VEJA] Does the decision, made by several first-place candidates, not to participate in televised debates help or hurt their campaigns?

[Montenegro] Debates have almost zero importance in the first round. Proof of this is President Collor, who also decided not to take part in the debates until the second round. Since what counts in this election is a candidate's record of accomplishment, the public already knows them well. It would not make any difference whether Paulo Maluf, for example, enters one of those debates or not. Everyone is tired of being introduced to him. Furthermore, the debates during the first round are confusing, with too many candidates firing shots in every direction at the same time. However, we must emphasize that it is vital for the candidate to participate in debates during the runoff campaign.

[VEJA] Have you ever advised a candidate to drop out of the campaign in the face of unfavorable prospects?

[Montenegro] During the presidential race, Maluf asked my advice as to whether he should run. I told him that it was his decision, but that if I were in his place I would not run. I said this because a defeat has a devastating effect.

[VEJA] Which candidates have commissioned the most surveys in this election campaign?

[Montenegro] Our biggest client is Globo TV. Of the candidates, we have Renan Calheiros, in Alagoas; the PMDB in Rio Grande do Sul, whose candidate is Jose Fogaca; the PFL-PDS [Liberal Front Party-Social Democratic Party] alliance in Santa Catarina, whose candidate is Vilson Kleinubing; Sahid Xerfan, in Para; and Antonio Carlos Magalhaes, in Bahia. In fact, nearly all the candidates in Bahia have ordered surveys. The two main candidates in Maranhao, Edison Lobao and Joao Castelo, have also requested them. In this election, we have interviewed 300,000 respondents, in 250 or 300 different surveys.

[VEJA] How much does an Ibope poll cost?

[Montenegro] Our average fee, which depends on geographical region, ranges from 20-30 BTN [National Treasury Bonds] per interview. In the southern and southeastern regions, where it is easier to contact the respondents, our fee is lower. Then, too, the number of interviews needed to form an accurate picture varies from state to state, which means our fee varies even more. In Rio and Sao Paulo, for example, we need to do about 1,500 interviews, at 23 BTN each, which comes to almost two million cruzeiros per survey. In the more difficult states, we can do between 600 and 800 interviews which would cost, at most, one million cruzeiros per survey.

[VEJA] How much did Globo TV pay Ibope for polls taken during the presidential campaign?

[Montenegro] $900,000 for the entire campaign.

[VEJA] Can you think of any occasions when Ibope was wrong?

[Montenegro] In the 20 years that I have been here, we have made only one mistake, and that was not a technical error, but a tactical one. In the mayoral elections of 1985, we guessed—and you should never guess in the polling business—that the election in Fortaleza was already decided, and so we stopped polling there in the final week before the voting, to concentrate our efforts on Recife, where the race was closer. We were right in Recife, but wrong in Fortaleza, where Maria Luiza Fontenelle turned the situation upside down in the final week. We had treated as definite figures that which could still change. We were wrong, and we learned our lesson. We will never again fail to keep going right through the final week—that is how we were able to pick up the Luiza Erundina upset in 1988.

* Collor's High Marks in Ibope Poll Analyzed

90SM0269B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Sep 90 p 3

[Text] Following Friday's announcements of the high approval rates obtained by the Collor administration in the latest Ibope poll, those who were counting on economic and social chaos to help them in the 3 October elections find themselves in an even tougher position. According to Ibope, 60 percent of the public has confidence in the president, while 34 percent have their doubts. The survey also showed that more than half the Brazilians, (51 percent), think the country's situation has improved after five months of the new federal administration, while only 19 percent believe that a comparison with the previous government is unfavorable to the present one, and 28 percent say they see no change at all since 15 March.

Even the most stubborn opponents of President Fernando Collor de Mello will be forced by the survey results to admit that at least the morale of the Brazilian public has changed significantly for the better since the new president was sworn in. After a wave of departures from their native land in search of occupational opportunities abroad—the so-called "bye-bye Brazil" syndrome—people are giving obvious signs that now, they would prefer to stay here. No fewer than 87 percent of those interviewed by the public opinion research institute agree with the statement that this is still the best place for a Brazilian to live. The level of disagreement is very low—only 10 percent.

All these statistical elements serve to sketch a portrait of the current political mood of the population: 79 percent of Brazilians say they are satisfied with the policies adopted by the federal government, while only eight percent term the Collor administration as "poor," and 11 percent would call it "very poor."

Another significant figure from the Ibope poll shows that the country may have had enough of the strikes sponsored, in recent weeks, mainly by the unions affiliated with the United Federation of Workers (CUT) and, by extension, with the PT [Workers Party]. Satisfied with the results obtained so far by the implementation of the measures in the economic stabilization plan, Brazilians show that they are aware of the negative effects produced by the propensity to go out on strike.

An impressive number of citizens, (55 percent), agree with the statement that the workers have gone too far, in recent weeks, in calling work stoppages. Even more impressive is the fact that 36 percent of the respondents declared that they are, in principle, opposed to any kind of strike. This contingent is larger than the 30 percent who agree on the strikes but would oppose those called in sectors essential to the functioning of the economy; these respondents also outnumber the 29 percent who would allow a strike to shut down any kind of business activity. This antistrike mood may account for the majority of those in favor of free negotiation of wages (49 percent) over the opponents of the Magri-Collor proposal to that effect (41 percent).

The opposition, particularly on the Left, continues to be unmoved by reality, if we are to judge by the comments of the national president of the PT, Deputy Luiz Ignacio Lula da Silva. Not only does Lula refuse to accept the survey results as valid; he insists that widespread strikes are the only way to ensure that workers earn a fair wage. But the persistent rhetoric of the PT prophets of doom still cannot obscure the elementary truth that the majority of the public disapproves of the tactics of social upheaval employed by the PT to obtain electoral gains that are unlikely to be realized.

What is happening in the Sao Paulo state elections is a typical example. The candidate of Lula's party, Plinio de Arruda Sampaio, spent the entire first month of his free TV air time trying to make President Fernando Collor de Mello his main opponent. Since he was unable to dig his candidacy out of the mire of the single digits in the preference polls, Arruda Sampaio had no choice but to

bring his campaign down to the state level, a step already announced by another Leftist opponent of the federal government, Senator Mario Covas of the PSDB [Brazilian Social Democracy Party].

The PT candidates give the public the clear impression that they are fighting for votes on the dark side of the moon, since they persist in staking their future on the country's economic ruin, a hand of cards to which no sensible voter would ascribe any political value at all. Responsible Brazilians know that we are all partners in the effort to pull the nation's economy out of the dangerously unbalanced situation that Collor inherited. Certainly they are not willing to risk betting on the theory that "the worse things get, the better," a Stalinist legacy appropriated by the PT and other groups on the Brazilian opportunist Left.

The support for Collor and the condemnation of the wave of strikes swelled by the CUT represent the opposite ends of a continuum of political sanity that has been adopted by Brazilian society: faith in the modernization of this country and rejection of the partisans of chaos who, directly interested in catastrophe, feel they are entitled to obtain private benefits from collective misfortune.

Chile

Government Supports UN Resolution on Iraq

PY2809023890 Santiago Domestic Service in Spanish 2200 GMT 27 Sep 90

[Text] The government has expressed its resolute support for the UN Security Council resolution that expands sanctions imposed by the international community on Iraq for its invasion of Kuwait.

This report has been released by Acting Foreign Minister Edmundo Vargas, who read an official statement that declares it is Chile's desire to comply fully with the embargo established by the UN Security Council until troops occupying Kuwait are withdrawn and until Kuwait's sovereignty and independence are restored.

The official statement adds that the government, respectful of the Chilean people's concern, calls upon the Iraqi officials to restore the state of law in the Persian Gulf to prevent a conflict that could lead to a confrontation of incalculable effects.

Vargas added that opposition sectors' criticism of the Foreign Ministry has been prompted by the success of this ministry's foreign policy.

New Actions To Seek Release of Hostages in Iraq

PY2709204090 Santiago Domestic Service in Spanish 1000 GMT 27 Sep 90

[Text] The Foreign Ministry will take new actions seeking the release of the seven Chileans who are being held hostage in Iraq. Foreign Ministry sources have reported that concurrent ambassadors to the conflictive zone will travel to Iraq to meet with Iraqi Foreign Minister Tariq 'Aziz to negotiate the release of those professionals who are employees of the Cardoen company.

Magazine Reporter, Weekly's Director Indicted

PY2709124590 Santiago Radio Cooperativa Network in Spanish 2300 GMT 26 Sep 90

[Report by Patricio Parraguez]

[Excerpt] (Alfonso Stevens), columnist for ANALISIS magazine, and Juan Andres Lagos, director of the weekly EL SIGLO, have been indicted in trials being heard by the military courts.

(Alfonso Stevens), who was detained in the city of Rancagua, was indicted by the Second Military Prosecutor's Office. Juan Andres Lagos, director of the weekly EL SIGLO, was indicted by three military prosecutors' offices—the first, fourth, and sixth—while a fourth lawsuit, which is also being heard by the Fourth Military Prosecutor's Office, is still pending.

(Stevens) and Lagos were indicted this afternoon after they went to testify at the military prosecutors' offices on Pedro Montt Avenue. ANALISIS Director Juan Pablo Cardenas is currently testifying.

It has been leaked that if Juan Pablo Cardenas is indicted—there is still a five-day period in which he could be arrested—in principle he would not be entitled to parole because he has previously been sentenced to spend nights in prison [reclusion nocturna]. [passage omitted]

Finance Minister To Chair IMF Committee

PY2709192290 Santiago Radio Chilena Network in Spanish 1600 GMT 27 Sep 90

[Excerpt] Chilean Finance Minister Alejandro Foxley has been unanimously appointed to serve as chairman of the IMF and World Bank Development Committee. [passage omitted]

MAPU Leader Denies Tie With Youth Movement

PY2809025690 Santiago Domestic Service in Spanish 2200 GMT 27 Sep 90

[Text] MAPU [United Popular Action Movement] Secretary General Juan Manuel Parra has denied any ties with the Lautaro Youth Movement. He said that according to an investigation by the Investigative Police, some people had taken the name of this party to carry out a misguided policy.

[Begin Parra recording] We have held a number of meetings to explain, clarify, and disseminate the fact that there is absolutely no relationship between MAPU and the Lautaro Youth Movement. We also held a meeting with the Investigative Police director to ask him what he

believes the relationship is between MAPU and the Lautaro Movement. He said that there is no relationship whatsoever. On the contrary, he said that he believes that some people are taking the name of this movement to carry out a misguided policy. [end recording]

Parra added that originally there was a group of some 15 MAPU members who adopted the Lautaro Movement's name, but who finally decided to give up the armed struggle. This is why some are trying to link the two movements. He said that for this reason MAPU will soon begin court proceedings to defend its identity.

Parra said the Lautaro Youth Movement is carrying out a process to corrupt and degrade Chilean youth. This is very serious, he said.

He added that some five months ago, the movement intended to explain this to the government and that this situation has now worsened. We believe that the youth movement and the political parties must agree on giving more alternative participation to the youth, something which has not been occurring over the past few months, he said.

Soviet Fishing Consortium Deal Under Discussion

PY2709221290 Santiago Radio Cooperativa Network in Spanish 2200 GMT 26 Sep 90

[Report by Miguel Tapia Gonzalez from San Antonio]

[Text] At least five Soviet factory ships would begin to operate under the Chilean flag and would hire 51 percent of their crew in San Antonio if a project to establish here an affiliate of a Soviet fishing consortium that administrates capital from the Soviet Union, the United States, and Chile is implemented.

A Soviet trade mission will visit San Antonio this Sunday [30 September] for an on-site briefing on the advantages this province offers the project. On this occasion, the Soviet trade mission will hold a long meeting with provincial Governer (Milan Celis) and will then tour the port facilities.

Asked by this correspondent, Governor (Celis) admitted that he had previously contacted Soviet representatives. He disclosed some details of the project that could be implemented after this Sunday's visit.

(Celis) explained that the Soviet fishing consortium would operate five factory ships flying the Chilean flag and would hire 51 percent of their crew in our country. The ships would fish beyond the 200-mile limit of our territorial waters. He said that 50 percent of the catch would be for the Soviet Union, primarily for domestic consumption, while the other 50 percent would remain in Chile for our consumption, industrialization, or for export.

The governor said that if this project is implemented the province would amply benefit because, in addition to reactivating the provincial economy and providing stable employment throughout the year for part of the labor force that is currently unemployed, the Soviets would become a permanent source of supply for some local fishing industries that during certain periods must reduce or halt activities because there is no fish.

Paraguay

Foreign Minister's Activities at UN Detailed

PY2709130890 Asuncion NOTICIAS in Spanish 26 Sep 90 p 16

[Text] Paraguayan Foreign Ministry sources reported yesterday that Foreign Minister Alexis Frutos Vaesken has held his first meeting with members of Latin American delegations. The sources added that on this occasion Foreign Minister Frutos met with Brazilian President Fernando Collor de Mello.

During his talk with President Collor, Foreign Minister Frutos extended his greetings and those of the Paraguayan Government and reasserted the government's willingness to achieve the unification of regional markets through the Latin American Southern Cone common market integration process.

The foreign minister has also held meetings to discuss, among other things, issues related to the regional integration process and bilateral relations. Frutos reported that he has already met with the Bolivian and Uruguayan foreign ministers.

Within this context he has held favorable "meetings" with UN Secretary General Javier Perez de Cuellar and with his colleagues from Argentina, Domingo Enrique Cavallo; from Brazil, Francisco Rezek; from Bolivia, Carlos Iturralde Ballivian; from Uruguay, Hector Gros Espiell; and from Chile, Enrique Silva Cimma, among others.

The Paraguayan mission in New York confirmed yesterday that Foreign Minister Frutos is included in the list of speakers who will address the 45th UN General Assembly session, which will discuss some 152 subjects ranging from foreign debt, development, and disarmament to human rights.

In his address Foreign Minister Frutos will discuss the current situation in Paraguay as well as regional and international issues.

Speech Calls for New Economic Order

PY2709203490 Asuncion ABC COLOR in Spanish 27 Sep 90 p 10

[Text] New York, U.S.A.—Speaking yesterday before the UN General Assembly, Paraguayan Foreign Minister Alexis Frutos Vaesken demanded that the international community confront all socioeconomic problems in a concerted way to establish a new and more just economic order.

Frutos Vaesken said: "We continue to confront serious barriers to the expansion of our trade; there is an increasing transference of our resources to industrialized countries, while we must cope with the opposite situation—that is, the continuous decline of prices in real terms of our basic products. Hence, all our efforts to achieve an effective capitalization are seriously undermined."

He added: "Technical assistance and the consequent technological transference are receiving fewer financial resources, particularly in those countries experiencing a medium level of development. Furthermore, the foreign debt problem continues without resolution, and only partial solutions are offered."

After demanding the establishment of a new international economic order, Frutos Vaesken said: "No strategy will yield definitive results if it does not include structural reforms."

Frutos Vaesken also discussed the regional integration issue. He said: "Integration is a way for Paraguay to achieve an integral development. It is an economic and political means that will allow Paraguay to successfully meet the challenges that will arise in Latin America's future. With this concept in mind we have agreed to take part in the process started by Argentina and Brazil and which Chile and Uruguay have joined."

The foreign minister also said: "Since the advent of democracy, a freely elected government headed by President Andres Rodriguez, which is fully respectful of human rights and laws, has been established in my country."

Regarding this, he said significant progress has been achieved. Frutos added: "We can mention the repeal of repressive laws and Congressional approval of the new electoral code, including elements inherent to a modern and participatory democracy."

Frutos also said: "Regarding the economy, the government has assumed responsibility for ameliorating the difficulties the country was experiencing by adopting necessary measures regarding economic, financial, monetary, and exchange rate policies."

The foreign minister stated: "President Bush's Initiative for the Americas, which was favorably received by countries in the Americas, is an example of the spirit of unity and solidarity that prevails throughout the continent. The countries included in the future Southern Cone common market have adopted a joint position to achieve specific agreements with the United States."

The Paraguayan foreign miniter also noted the cooperation ties that have been achieved with other governments in the struggle against the manufacturing, trafficking, and consumption of drugs, as well as the commitments regarding participation in environmental protection programs.

$400-Million Debt With Brazil Paid Off

PY2709133690 Asuncion NOTICIAS in Spanish 26 Sep 90 p 12

[All figures as published]

[Text] The more than $400 million external debt that had been contracted with Brazil, partly for the construction of Acepar [Paraguayan Steel, Inc.], has been fully paid off. The negotiations were to a large extent conducted directly between President Andres Rodriguez and Brazilian President Fernando Collor de Mello. In the operations, which involved the purchase of Brazilian foreign debt notes at nearly 25 percent of their nominal value, Paraguay probably saved $300 million.

The full payment of the external debt with Brazil was made possible thanks to personal contacts between Presidents Rodriguez and Collor de Mello.

In the next few days President Andres Rodriguez will publicly release the details of the operations through which the debt with Brazil, estimated at $450 million, was retired.

The deal for the total payment of the debt to Brazil was partly a process of swapping Brazilian foreign debt notes acquired by the Paraguayan Government at a discount in the international secondary market for Paraguayan debt notes held by the Brazilian Government, and partly the cancellation of overdue royalties and fees for Brazil's electricity consumption from the Itaipu Dam through the debt Paraguay contracted with Brazil to build Acepar.

With an outlay of approximately $100 million, by late August Paraguay had bought, at 77- to 65-percent discounts, Brazilian foreign debt notes worth nearly $300 million. The debt balance of more than $150 million, mostly for overdue interest on the loan to Acepar, was canceled with royalties and fees Brazil owed for electricity consumed from Itaipu.

Education Ministry Under Secretary Appointed

PY2609192690 Asuncion ABC COLOR in Spanish 26 Sep 90 p 15

[Excerpt] The president has appointed Cesar Nicanor Duarte Frutos as the new Education Ministry under secretary of worship. He replaces Horacio Galeano Perrone. [passage omitted]

Peru

Fujimori Says U.S. Accord Will Not Be Signed

PY2709140090 Lima Television Peruana in Spanish 1100 GMT 27 Sep 90

[News conference by President Alberto Fujimori with unidentified reporters; place and date not given—recorded; broadcast in progress]

[Excerpt] [Reporter] ...an agreement between Peru and the United States to provide antidrug trafficking aid for the fight against drug trafficking?

[Fujimori] We decided that it will not be signed.

[Reporter] You met with U.S. Ambassador to Peru Anthony Quainton yesterday. Did you talk about this agreement? It has been said that the United States offered military aid.

[Fujimori] We did not sign the agreement, so there will be no U.S. military aid or supply of weapons—for the time being.

[Reporter] And what about economic aid?

[Fujimori] No, the economic aid is not affected, of course.

[Reporter] But the same news agency report, datelined today, states that the U.S. Government asked Congress to transfer the funds.

[Fujimori] These are funds for military aid originally allotted to Peru. I suppose they will be transferred to other objectives.

[Reporter] How will this impasse be overcome?

[Fujimori] It is not an impasse at all.

[Reporter] [Question indistinct]?

[Fujimori] It is $35.9 million.

[Reporter] [Words indistinct] with Peru remain intact?

[Fujimori] That is the agreement for the amount of money that was not signed. There is still a possibility, however, of signing overall cooperation agreements for the struggle against drug trafficking.

[Reporter] How much money will be involved?

[Fujimori] That has to be negotiated.

[Reporter] For when?

[Fujimori] For the next U.S. fiscal year. [passage omitted]

Fujimori Speaks to Investors on Opening Economy

PY2709184090 Lima Television Peruana in Spanish 0100 GMT 27 Sep 90

[Speech by President Alberto Fujimori to national and foreign investors and members of the Peruvian-U.S. Chamber of Commerce at the Crillon Hotel convention hall in Lima; date not given—recorded]

[Text] We are beginning a new stage in Peruvian economic history. We must take complementary steps to promote development and attain sustained growth today, not delaying for endless periods of time.

As everyone knows, we have already begun to actively approach international financial institutions, which will allow our country to recover its place as a worthy and reliable partner in the international financial community. Foreign investments will play an important role in this development strategy based on efficiency and productivity. Peru needs new technologies to be able to begin its sustained growth in an increasingly interdependent world. In the overall context of world transformations, our subregion is becoming more important as the result of a growing association with the United States.

Once the depression caused by the foreign debt problem is overcome, Latin America can again become a market for U.S. exports and a significant arena for several U.S. operations. The drug trafficking problem is also a reality that requires Latin American cooperation, especially between Peru and the United States. Our basic theory is that the eradication of the coca crops in our territory must be considered within an overall strategy, including substituting profitable crops for coca, creating jobs and markets, improving the people's living standard, education, etc., and, of course, the necessary police and military actions.

These theories are fortunately being taking into consideration by our friends and partners in this great world campaign, with which we are certainly willing to cooperate by assuming our responsibility in the eradication of this world scourge. All aspects of our relations, mainly with the United States, are inspired by a great desire for cooperation and friendship.

Our policy for promoting foreign investments has already been announced. It will be a realistic policy that will include such measures as the elimination of restrictions on the remittance of profits abroad, a common system for treating domestic and foreign companies, the elimination of sectorial restrictions on foreign capital, and simplified regulations for hiring foreign technologies, including more flexible norms for paying royalties. These and other complementary measures will be included in an updated draft bill for the promotion of foreign investments and technologies. We will recommend that Congress approve this draft bill.

I am also pleased to announce before this distinguished audience that to protect foreign investors against possible extraordinary risks, expropriations, and the legal currency exchange system, this government is seriously studying the possibility of signing agreements with the Overseas Private Investments Corporation, OPIC, and the Multilateral Investments Guarantee Agency, MIGA, sponsored by the World Bank. [applause]

We are optimistic over the results of the Bush initiative, which I firmly believe will not remain simply a good intention. Our country has great investment opportunities in mining at every level, oil exploitation, petrochemical industries, agricultural industries, tourism, fishing ship construction, textile industries, etc. My government

has already made important progress in creating favorable conditions for foreign investments, such as establishing an appropriate import and export tax policy.

I am confident that the new winds of prosperity and free exchange that are blowing throughout the world will also come to Peru. I hope we will be able to make good deals with the United States. The year 1990 must be the year of investment in Peru. You are welcome to participate in this program. Thank you very much. [preceding sentence in English] [applause]

300 Terrorists Attack Police Station

PY2709193590 Lima Television Peruana in Spanish 1800 GMT 27 Sep 90

[Text] A terrorist column made up of 300 subversives attacked the Nuevo Progreso police station in San Martin Department. According to reports from that town, more than 20 police officers were seriously injured; no casualties were reported among the terrorists, who used dynamite and long-range weapons in the attack.

Interior Ministry spokesmen reported that the attack took place from 1930 yesterday to 0100 today, when the police station received many reinforcements from Tocache.

Last-minute radio reports from Nueva Esperanza [name as heard] confirmed the deaths of three police officers, including an officer and two of his subordinates. Their names are Second Lieutenant Luis Salas, Second Sergeant Loyola, and Corporal Celso. The reports note that 20 police officers were injured during the attack. Those in serious condition will be transferred to Lima.

Combined Forces Kill 40 Terrorists

PY2809030490 Lima Television Peruana in Spanish 0100 GMT 28 Sep 90

[Excerpt] The Alto Huallaga Political-Military Command reported today that 40 Shining Path terrorists were killed and that many weapons, explosives, and vehicles were seized in an operation to counteract the subversive elements' attacks on police posts such as the Nuevo Progreso attack where three policemen were killed.

The combined Army and police forces are chasing the terrorists who escaped into the jungle. According to the report the security forces arrested the Shining Path logistics chief and seized [words indistinct] rockets, grenades, and several weapons. [passage omitted]

Uruguay

Deputy Scores Participation in Unitas Maneuvers

PY2709210890 Montevideo LA DEMOCRACIA in Spanish 21 Sep 90 p 2

[Commentary by Blanco Party Deputy Ricardo Rocha Imaz: "The Unitas Operation"]

[Text] Once gain the executive branch has requested that congress authorize Uruguayan Navy units to carry out joint naval maneuvers with the Navies of Argentina, Brazil, and the United States—that is, the Unitas maneuvers.

Our position on this is well known. Every year during the previous administration, in the Chamber of Deputies we voted against the authorization. We will again vote against it this time.

We have always thought that it is impossible to ignore the environment around the operation. It is not just a question of voting for or against the authorization, but of publicly expressing our displeasure over U.S. foreign policy. And our position here is very clear, taking into account the long record of confrontation with Yankee imperialism.

Why are they coming to train us? What are we going to do tomorrow in case of foreign attack? The imbalance of forces is so great in favor of the other militarily strong nations that it is quite ridiculous that we be "prepared." Besides, the readiness for war adventures is far from our reach.

Then what is the essence of the issue?

The answer is fast and categorical: The whole idea is to meddle in our house, to maintain a strategic zone of influence, and given the case, to intervene as it has done and is still doing in other Latin American countries. And our national spirit is opposed to that.

If the Brazilians and Argentines want to upgrade their war navies, it is their decision, although we think they have not chosen a good instructor. We want to be left alone. For many years we have lived in peace with all nations of the world, with no international conflicts; the only thing we must worry about is Yankee imperialism and its greediness.

Perhaps it is important to recall some facts.

What has the United States done except intervene imperialistically in southern countries?

Central America is and has been besieged by the northern power; no one is unaware of its interventionist policy and its abuses. By purchasing, seizing, and confiscating the rich territories, the United States has reduced the northern Mexican land. The United States has protected there in the north and also here in the more southerly areas, many dictatorships, provided that they were puppet governments with a benevolent attitude

toward the United States. No one who knows its expansionist history can argue that such actions are things of the past, because irreversibly the sins continue to exist in history. But should there be some forgetful minds, it is sufficient to recall the sinful attack on Grenada a few years ago. A country with only 100,000 inhabitants was demolished by the "Marines." And the most recent case, Panama, a republic created artificially by tearing off part of Colombia, by the isthmus and the canal, as we all know. Under the pretext of taking care of the canal, it is there installed, smothering any bit of patriotic uprising by the Panamanians.

And more to the south?

The following must reply with their misfortune, with their nationalistic faith and anti-imperialistic spirit: German Busch, Velazco Ibarra, Paz Estenssoro, Gaitan, Haya de la Torre, Albizu Campos, Getulio Vargas, Peron....

It also wanted to install bases on our beaches, in times of collective madness. Fortunately Luis Alberto Herrera stood up, and shouting, "Bases—never," he organized, withheld, and defeated them with native resistance.

In conclusion, we do not want the "Marines" on our coasts. Let others believe the story that they are coming to train, to instruct... They have only caused headaches to Indo-American [indoamericanas] countries. When the time comes for us to vote in the Chamber of Deputies, we will vote, as appropriate, against the Unitas operation, with incorruptible nationalistic and Herrerist spirit, and with the hope that, before the end of its term in office, this Blanco Party government will let the Yankee know, diplomatically but categorically, that we are not interested in those maneuvers.

Talks on Money Laundering Resume With U.S.

PY2709214090 Montevideo BUSQUEDA in Spanish 20-26 Sep 90 pp 48, 6

[Report by Claudio Paolillo]

[Excerpts] In Montevideo on Monday, 24 September, the United States and Uruguay will resume their negotiations in search for a judicial cooperation agreement that includes the possibility of lifting bank secrecy should there be any suspicion of laundering of "narcodollars".

The two countries started talks on the subject last May, but they still have not been able to reach and agreement on a mechanism by which they can reconcile their respective interests: prevent banks from carrying out transactions that will yield profit from drug trafficking (the United States) and maintain a free and open financial market (Uruguay).

U.S. State Department and Justice Department officials will meet with a Uruguayan delegation headed by Presidential Under Secretary Augusto Duran Martinez for the third round of negotiations. [passage omitted]

A few months ago the Uruguayan Government received a draft proposal from the United States to which BUSQUEDA had access.

In this draft the United States proposes to Uruguay a mutual assistance agreement to "share information regarding monetary transactions" that would be used "to carry out criminal, civil, and adminstrative investigations".

The information could also be used to carry out "legal proceedings or to order the trial of those involved in the illegal drug trafficking or other illegal activities involving narcotics, including illegal trafficking in narcotics or psychotropic drugs, money laundering, and the violation of the law related to reporting and registering monetary transactions."

According to the U.S. proposal, the two countries would exchange information on any monetary transaction involving more than $10,000. The information would include the identity, address, business and/or occupation of those responsible for the transaction, the amount of the transaction and dates, category and bank account numbers.

The information would also include the names and addresses of the banks, exchange agents, or exchange houses, the check buyers, stock brokers, or other financial institutions involved in the transaction.

The United States also suggests that financial enterprises keep information on monetary transactions for no less then five years.

The proposal also establishes that one country may request the other's assistance through out-of-court procedures.

Uruguay's Objections

Reliable sources in Montevideo said that Uruguay dismisses the possibility of signing any agreement that may entail granting information on any monetary transaction involving more than $10,000. The sources asserted that "to sign such an agreement we would talk about figures at least 10 to 50 times higher."

According to U.S. law, banks in the United States are compelled to inform the government of any deposit of more than $10,000.

The second Uruguayan objection to the U.S. proposal is the possibility that nonjudicial individuals may use the information for investigations that may be carried outside the court.

A Uruguayan lawyer explained that according to "Uruguayan law, the judge questions the defendant; in the U.S. system the prosecutor has important participation in the investigation."

This is probably why the Uruguayan Government is stressing that any possible exchange of information

between the two countries should be made at a court level in the two countries or, otherwise, by supporting the request for information with documents proving the existance of an open case.

Bank Secrecy

But the main obstacle that U.S. negotiators will have to overcome to reach an agreement is to convince Uruguayan authorities that this agreement will not destabilize the Uruguayan financial market. [passage omitted]

President Alberto Lacalle himself, during an interview with BUSQUEDA last April, made the latest government comment on the matter. In referring to a case of violation of bank secrecy at the state-owned Sugarloaf [Pan de Azucar] Bank, involving Argentine Senator Eduardo Menem, brother of President Carlos Menem, Lacalle said: "The government must preserve the confidence in the financial system as if it were a treasure because, in the good sense of the word, one of the country's natural roles is to serve as a financial and services market."

Minister Comments on Materiel Modernization

PY2709215690 Montevideo LA HORA POPULAR in Spanish 15 Sep 90 p 3

[Text] Defense Minister Mariano Brito yesterday confirmed to the press that the government is awaiting the arrival of 13 two-seat planes for military training. The planes will be delivered to the Air Force. He added that the appropriate officers have signed a trade agreement with a Brazilian company—which he did not identify—to modernize the engines of Uruguayan Army tanks.

Minister Brito made these comments at Congress last night, after holding a working meeting with the Chamber of Deputies Committee that has been analyzing the budget bill submitted by President Luis Alberto Lacalle. The bill contains the Armed Forces investment plan, which is included in the Defense Ministry draft budget.

After more than three hours of debate, the congressmen approved 40 articles of the Defense Ministry budget. The remaining 21 articles will be debated in another session.

Answering reporters' questions on the new equipment to be delivered to the Armed Forces, Minister Brito said: "Can we have an Army without the weapons that are necessary for the fulfillment of its duties? Or a Navy without ships? Or an Air Force without planes?"

At first, Minister Brito declined to make specific references to the equipment to be received. In general terms, he said it consists of necessary equipment and that it includes the purchase of clothing, hospital equipment, and repair work. He discarded the possibility of purchasing helicopters and made no reference to specific details of the equipment.

Asked about the modernization of the Army tanks and about the training planes expected by the Air Force, the minister said both projects were under way, and he confirmed the two military programs.

Regarding the number of military personnel vacancies, he said the 6,405 vacancies will not be filled. He explained that 1,900 of these vacancies are Category K [expansion unknown] vacancies, and that 4,424 other vacancies cannot be filled as a result of the prohibition contained in Law 15809. He did not refer to the branch or rank of the other Armed Forces vacancies.

Guyana

Hoyte Opens Trades Union Congress Conference

FL2809015090 Bridgetown CANA in English 2224 GMT 27 Sep 90

[Text] Georgetown, Guyana, Sept 27, CANA—The 37th annual conference of the Guyana Trades Union Congress (TUC) began here on Thursday amid clear signs of differences between the government and the labour movement.

In declaring open the four-day conference, President Desmond Hoyte, in what is seen as a thinly veiled pitch for TUC support for his government's re-election at forthcoming elections, called for "continuity" for his government and its economic recovery programme (ERO).

But TUC President Frank Andrews called for the introduction of a cost of living allowance for public sector workers and said what was needed more than ever now was "a living wage" for workers. Andrews said the TUC supported the government's ERP because the labour movement saw success for the programme as "the only hope" for improving the lot of Guyanese workers. He said, however, if workers were not paid adequate wages and salaries, the prospects of the ERP succeeding would be jeopardised.

Andrews said the recent 20 per cent increase in wages and salaries for non-sugar and non-bauxite public sector workers was "grossly inadequate." He said while the increases took the daily minimum wage in the public sector to 43.04 dollars (one Guy dollar; 2.2 U.S. cents), the amount could not even buy a gallon of rice. He said even before the devaluation of the Guyana dollar in June when the exchange rate at the cambios was about 53 for one US dollar, the TUC estimated that an adequate daily minimum wage would be about 194 dollars. Since then, the exchange rate at the cambios—the rate at which most trading is done here—has risen to 89 Guyana dollars to one U.S. resulting in an even higher cost of living. Andrews promised, however, that the TUC would do nothing to jeopardise the prospects for the success of the ERP.

Earlier, Hoyte spoke at length about his government's ERP and said if one looked objectively at the programmes, projects and investment plans that were in place, one was "bound to conclude that the prospects for

growth and expansion of the economy are extremely good. We need to understand and to accept the fact that development takes time. That process is actively at work in Guyana now. We need to have the patience and be prepared to perform to the best of our ability," Hoyte said. Hoyte said it should by now be self-evident to Guyanese that they had to stay with the ERP for "it would be a disaster if we were to falter or abandon it."

If they were to act irresponsibly and abandon the ERP, the international community which has been supporting the programme would forget Guyana "for at least a quarter of a century and leave us mired in poverty without the slightest prospect of emerging from it," the Guyanese leader said. He continued: "From all that I have said (about the ERP), it should be very clear to all Guyanese that what is required now is continuity. The TUC, the individual unions and all working people, should by now understand that it is in their self-interest and in the best interest of this country that the ERP should continue. Their duty is to ensure the necessary continuity."

Hoyte on Economic Recovery Program

FL2809020690 Bridgetown CANA in English 2310 GMT 27 Sep 90

[Text] Georgetown, Guyana, Sept 27, CANA—Representatives of member countries of the Paris Club have agreed that Guyana deserves "exceptional debt treatment" and have recommended to their governments that there should be "a major re-organisation" of Guyana's external debt, President Desmond Hoyte said Thursday. Guyana's external debt stands at nearly two billion U.S. dollars.

Hoyte told the opening session of the annual conference of the Guyana Trades Union Congress (TUC) that "in recognition of the monumental efforts" Guyana was making and the progress achieved under its economic recovery programme (ERP), the Paris Club met a fortnight ago with a Guyana delegation headed by Finance Minister Carl Greenidge.

"The representatives of the participating countries applauded the efforts we were making through the ERP to restore balance in our economy and generate growth and development," he said. They also expressed satisfaction with the progress of the ERP and "agreed that in all the circumstances of our situation, Guyana deserved exceptional debt treatment."

He said they also "recommended to their governments that there should be a major reorganisation of our debt on highly concessional terms which could include debt write-offs, reduced interest rates, extended maturity or a combination of these."

He said his government's ERP is designed to rehabilitate the infrastructure necessary for economic activity, stimulate production in traditional and non-traditional sectors, and attract new investment particularly in new areas of the economy.

Against this background, Hoyte, in an apparent pitch to the local labour movement to support the reelection of his ruling People's National Congress (PNC) at forthcoming general elections, said there was need for "continuity" if the ERP were to succeed. It was their duty, he said, "to ensure the necessary continuity."

He said some opponents of his government who have been against his government entering into any agreement with the International Monetary Fund, had often advised that the alternative was to turn to the socialist bloc. These opponents were, however, "strangely silent" on this issue today now that there was no such thing as a socialist bloc and now that even the Soviet Union was on the verge of applying for IMF membership.

Hoyte told the conference that over the next three years, the multilateral financial agencies will be disbursing some 350 million U.S. dollars for projects and programmes in Guyana.

Of that amount, 77 million dollars will go to the agriculture sector, 28 million to an industrial rehabilitation programme, 28 million to the health sector, 46 million to the upgrading of the primary school system, 144 million to human resources development, three million will be for the rehabilitation of ferries and five million will go towards an industrial line of credit. Financing will also be available for rehabilitation of sea and river defence structures and for the improvement of pure water supply systems and other infrastructure.

There will also be balance of payments support of 173 million U.S. dollars from the International Monetary Fund (IMF), 79 million from the World Bank, about 40 million from the Caribbean Development Bank, 32 million from the Inter-American Development Bank and 106 million from the Guyana support group of donor countries.

Hoyte stressed, however, that for Guyana to secure these resources, it will have to meet the various targets under the IMF programme. He said during the three years of the programme, several major developments will take place in the economy aimed at generating "dynamic growth within the context of the ERP".